

**REVISION TO THE FINANCIAL INTEGRITY
AND ACCOUNTABILITY REPORTING PROCESS
SEPTEMBER 14, 1999**

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REVISION TO THE FINANCIAL INTEGRITY AND ACCOUNTABILITY REPORTING PROCESS
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INTRODUCTION

Background

As part of state's ongoing management improvement program, the Director of Administration directed the State Budget Office and the Bureau of Audits to review and revamp the Financial Integrity and Accountability (FIA) reporting process.

The FIA is a management tool to assist an entity by identifying emerging internal or external trends or issues that have the potential to require changes in the way agencies perform their missions on behalf of the state and the citizens of Rhode Island. It is the financial management element of the strategic assessment of strengths, weaknesses, opportunities, and threat (SWOT) that all managers should routinely perform. In the past, this process has been often deemed an accounting exercise rather than a management process.

The purpose of our review was to make recommendations to change the application of the 1986 Act to:

1. Make the FIA report more user friendly and as a management tool;
2. Tie this process more closely to the budget preparation process; and
3. Integrate the FIA process with the administration's managing-for-results initiative.

Objectives and Methodology

Our objectives were to analyze the effectiveness of the reporting process used by senior executives and to propose amendments that add value to the process and still comply with the Act of 1986.

To accomplish this task we acquired an understanding of the 1986 FIA Act, made an appraisal of and evaluated past performance of the Act, and developed a revised reporting process. We also plan to monitor the 1999 FIA Reports and recommend changes if necessary.

FINDINGS AND RECOMMENDATIONS

Appraisal and Evaluation

The reasons why the FIA Report has not achieved the expected results are varied and many individuals have contemplated the causes. During our review, we decided to validate these opinions by conducting a survey. A questionnaire containing both open and close-ended questions was mailed to 45 departments/agencies. Responses to the survey revealed:

- 38% regarded the FIA Report as a useful management tool.
- 16% of upper management were involved in the reporting process.
- 40% used the FIA Report for implementing corrective action.
- 53% expressed a need for additional training.
- 73% had written internal policies and procedures.
- 89% indicated that the mission of their agencies was understood by most, if not all, employees.
- 91% indicated that the objectives supported its mission.

The complete survey is presented as Appendix C of this report.

Accounting and Administrative Controls

RIGL 35-14-4, "Internal accounting controls," specifically refers to accounting and administrative controls as one and does not distinguish the differences appearing in accounting pronouncements. Accounting controls "comprise the plan of organization and the procedures and records that are concerned with the safeguarding of assets and the reliability of the financial records." Administrative controls include all controls except those controls relevant to the development of financial statements (i.e., non-financial controls.) These concepts are enveloped by "promote operational efficiency" and "adherence to prescribed managerial policies."

In 1992, the Committee of Sponsoring Organization (COSO) issued Internal Control – An Integrated Framework that goes directly to the issue – *is there reasonable assurance of achieving our mission, objectives, goals, and desired outcomes, while adhering to laws and regulations; and can we accurately report our success and*

outcomes to the public and interested third parties. This equates internal control to management controls which the U.S. General Accounting Office by definition includes the processes for planning, organizing, directing and controlling program operations. It goes on to state that it includes the systems for reporting and monitoring programs.

In our opinion, the FIA should not be an accounting process but rather a managerial process. The process should be a mission-driven management evaluation that will aid managers in developing a plan. A study by the University of Michigan in 1999 concludes that "one of the tenets of the new management is that government has been too preoccupied by process, and should instead be preoccupied by mission."

State laws and policies often imitate federal laws and policies and Rhode Island is no exception. Rhode Island's financial integrity legislation was patterned after the Federal Financial Managers' Integrity Act of 1982. It is important to note that Congress passed the Government Performance and Results Act (GPRA) in 1993 that requires every federal agency to write down its mission, to develop a strategic plan carrying out its mission, and measure its progress towards accomplishing that mission. It appears that the concepts of administrative control are linked to the strategic plan to accomplish the organization's mission.

Risk

The concept of "risk" was not considered in the original FIA Act but it is essential when referencing controls. It refers to anything that jeopardizes the achievement of an objective. Part of the FIA process should be to identify risk. Managers need to mitigate or limit areas of high risk and consider the implications for other programs and departments and opinions for actions.

Factors of risk can be from both internal and external sources. Examples are:

- **Internal Sources:**
 - Changes in personnel
 - New information systems
 - Reorganization
- **External Sources:**
 - Economic changes
 - New or revised laws and regulations
 - Technological developments
 - Social changes

SWOT Analysis

As part of the FIA process, senior executives should conduct a SWOT analysis (Strengths, Weakness, Opportunities, Threats) for each critical success area.

- Strengths: What resources and capabilities does your department/agency have that you can utilize to realize your objectives? How can you capitalize on these resources and capabilities?
- Weaknesses: What needs to be improved in those areas before your objective can be realized?
- Opportunities: What people, values, or other resources internally or externally might support your efforts? How can you take advantage of the opportunities they present?
- Threats: What people, values, etc., stand in your way? What actions can the agency do to:
 1. If possible, turn them into opportunities
 2. If not, overcome them
 3. If they can't be overcome, accommodate or sidestep them
 4. If none of the above is possible, modify your vision to something still desirable which can be achieved in the face of these obstacles

Strategic Plan

To achieve objectives and continue to meet the requirements of mission statements, managers should develop their respective strategic plans. Plans should establish the direction and focus of the departments/agencies over five to ten years based on the changing environment.

RECOMMENDATIONS:

1. The reporting process should be geared towards senior executives.
2. The report should be a single letter identifying strategic risks. (Appendix C)
3. The process and the report should be conducted as a SWOT analysis.
4. The FIA process should be flexible enough to provide compliance in substance over form.

RECOMMENDATIONS – (Cont'd)

5. The work product will not be considered a public document but will be subjected to inspections by the Department of Administration and the Auditor General.
6. The Department of Administration will provide assistance to departments and agencies.
7. The results of the 1999 FIA Reports will be monitored and subsequent amendments will be provided.
8. Assist the State Controller in revising Section-29 of the Department of Administration Procedural Handbook.

The Financial Integrity and Accountability Act of 1986 (RIGL 35-14)

Section I: Legislation

Before moving on to the general framework for performing internal control evaluations, it would be helpful to reacquaint yourself with the Financial Integrity and Accountability Act of 1986. Once the Act has been read, there usually are a series of questions that come to mind. We have included answers to some of the more commonly asked questions in Section III.

The Act:

35-14-1. Short title. — This act shall be known and may be cited as the Financial Integrity and Accountability Act of 1986.

35-14-2. Policy. — (a) The legislature hereby finds that:

- (1) Fraud and errors in state programs are more likely to occur from a lack of effective systems on internal accounting and administrative control in the state agencies.
- (2) Effective systems of internal accounting and administrative control provide the basic foundation upon which a structure of public accountability must be built.
- (3) Effective systems of internal accounting and administrative control are necessary to assure that state assets and funds are adequately safeguarded, as well as to produce reliable financial information for the state.
- (4) Systems of internal accounting and administrative control are necessarily dynamic and must be continuously evaluated and, where necessary, improved.
- (5) Reports regarding the adequacy of the system of internal accounting and administrative control of each state agency are necessary to enable the executive branch, the legislature, and the public to evaluate the agency's performance of its public responsibilities and accountability.

(b) The legislature declares that:

- (1) Each state agency must maintain effective systems of internal accounting and administrative control as an integral part of its management practices.
- (2) The systems of internal accounting and administrative control of each state agency shall be evaluated on an ongoing basis and, when detected, weaknesses must be promptly corrected

- (3) All levels of management of the state agencies must be involved in assessing and strengthening the systems of internal accounting and administrative control to minimize fraud, errors, abuse, and waste of government funds.

35-14-3. Agency responsibilities. — State agency heads are responsible for the establishment and maintenance of a system or systems of internal accounting and administrative control within their agencies. This responsibility includes documenting the system, communicating system requirements to employees, and assuring that the system is functioning as prescribed and is modified, as appropriate, for changes in conditions.

35-14-4. Internal accounting controls. — (a) Internal accounting and administrative controls are the methods through which reasonable assurances can be given that measures adopted by state agency heads to safeguard assets, check the accuracy and reliability of accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies are being followed. The elements of a satisfactory system of internal accounting and administrative control shall include, but are not limited to, the following:

- (1) A plan of organization that provides segregation of duties appropriate for proper safeguarding of state agency assets.
 - (2) A plan that limits access to state agency assets to authorized personnel who require these assets in the performance of their assigned duties.
 - (3) A system of authorization and recordkeeping procedures adequate to provide effective accounting control over assets, liabilities, revenues, and expenditures.
 - (4) An established system of practices to be followed in performance of duties and functions in each of the state agencies.
 - (5) Personnel of a quality commensurate with their responsibilities.
 - (6) An effective system of internal review.
- (b) State agency heads shall follow these standards of internal accounting and administrative control in carrying out the requirements of this chapter.

35-15-5. Definitions. — As used in this chapter:

- (a) "Governor" means the governor of Rhode Island.
- (b) "Controller" means the state controller of Rhode Island.
- (c) "Director" means the Director of Administration.

35-14-6. Annual report. — (a) To ensure that the requirements of this section are fully complied with, the head of each agency shall prepare and submit a report on the adequacy of the agency's systems of internal accounting and administrative control by December 31, 1987, and by December 31 of each succeeding year thereafter.

- (b) The report, including the state agency's response to report recommendations, shall be signed by the head of the agency and addressed to the governor. Copies of the reports shall be forwarded to the legislature, the auditor general, and the director. Copies of these reports shall also be forwarded to the state library where they shall be available for public inspection.
- (c) By January 1, 1987, the director, in consultation with the auditor general and the controller, shall establish a system of reporting and a general framework to guide the agencies in performing evaluations on their systems of internal accounting and administrative control. The director, in consultation with the auditor general and the controller, may modify the format for the report or the framework for conducting the evaluations from time to time as deemed necessary.
- (d) Any material inadequacy or material weakness in an agency's systems of internal accounting and administrative control which prevents the head of the agency from stating that the agency's systems of internal accounting and administrative control provided reasonable assurances that each of the objectives specified above was achieved, shall be identified and the plans and schedule for correcting any such inadequacy described in detail.

OFFICE OF ACCOUNTS AND CONTROL

SECTION	POLICY/PROCEDURE NUMBER	
	A-39	
SUBSECTION	EFFECTIVE DATE	/PAGE NUMBER
	September 14, 1999	/ 1 of 5
POLICY / PROCEDURE	AMENDMENT	/ REVISION
Risk Management Program – Third Party Incident/Event Management		

GENERAL GUIDELINES

1. OVERVIEW:

- A. Statute: R.I. General Law Title 35, Chapter 14
- B. State Policy: Department of Administration's Procedural Handbook, Section A-39
- C. Oversight Responsibility:
- Director of Administration
 - State Controller
 - Auditor General
- D. Purpose: A self-assessment process for senior executives to evaluate the strengths, weaknesses, opportunities and threats (SWOT) of goals and objectives which represent strategies in achieving department's/agency's mission.

2. ANNUAL REPORT:

- A. Format: All senior executives for departments and agencies shall submit a letter to the Governor reporting on the results of a strategic evaluation of the strengths, weaknesses, threats and opportunities (SWOT) effecting their ability to perform their mission(s). Issues identified will be summarized in terms of implications for present and future risks, implications for other agencies, corrective actions underway and/or recommended, and resource implications.

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Department of Administration

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Third Party Incident/Event Management

- B. Distribution: The report shall be addressed to the Governor of Rhode Island

Copies should be sent to the following:

Director of Administration
Auditor General
Speaker of the House
President of the Senate
State Library (25 copies)

3. DOCUMENTATION/RETENTION:

- A. Documentation: The work product should include adequate supporting documentation, the methodology used, and the basis for determining materiality.
- B. Retention: The work product shall not be deemed public in accordance with RIGL 38-2-2 (4)(i)(K) (Access to Public Records) The FIA report and supporting documentation shall be retained for 3 years.
- C. Inspections: Records shall be made available upon request of the State's Director of Administration and/or the Auditor General.

- 4. ASSISTANCE:** Management control is essential to the evaluation process and substance is more important than form. The State Controller has provided guidance to help senior executives evaluate their organization.

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Risk Management Program –
Third Party Incident/Event Management

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- Appendix A: "Division/Suborganization Operational Review Questionnaire"
- Appendix B: "Special Guidelines for Federally Funded Programs"
- Appendix D: "Special Guidelines for Controlling Small Computer Applications"
- Appendix E: "Management Controls Review: a guidebook."

These guides are intended to assist senior executives identify business risks associated with their organizations and develop a plan to mitigate those risks. In considering risks, senior executives must assess both internal and external actions that affect present and future success of their organization's mission(s).

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SAMPLE: REPORT TO THE GOVERNOR

Dear Governor:

In accordance with the requirements of RIGL 35-14, I have conducted a strategic evaluation of the strengths and weaknesses effecting the Department of _____ during the fiscal year ended June 30, _____. I also evaluated the opportunities and threats we have encountered which are or could effect our ability to perform our missions in the current and coming fiscal years. The evaluation was performed in accordance with the Revised Guidelines issued by the Director of Administration on____ September 14, 1999.

In conducting this evaluation, I and my senior staff considered how the issues and trends identified in our SWOT analysis might impact our ability to achieve the goals and objectives we have established for each of our program areas of responsibility. We have identified XXX issues that fall under the heading of strategic risks. These are identified below along with my analysis of the risk, implications for other departments and programs, options for addressing it, resource implications and actions already underway by this department.

Our review evaluated each risk identified in each category relative to its impact on the ability of this agency to achieve its goals and objectives. In reporting thereon, a risk is considered strategic if its existence effected this agency's ability to perform its mission(s) directly or indirectly in terms of programmatic, resource, or other parameters.

Our evaluation provides reasonable, but not absolute, assurance that the previously mentioned evaluation has identified all strategic risks related to achieving our mission. Further, our evaluation addresses corrective action (s) necessary to meet the challenge (s) posed by the risks identified to insure continued success in the performance of our mission.

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ATTACHMENT: STRATEGIC RISK SUMMARY

Issue:

Analysis:

Implications for Other Programs/Departments:

Options for Action:

Actions Already Underway:

Additional Actions Recommended:

Resource Implications:

(This summary should be prepared for each material risk that our SWOT analysis identifies and a copy should be attached to your report.)

Survey

Perspectives of the State of Rhode Island Agencies and Departments on the
Effectiveness of the Reporting Requirements of the 1986
Financial Integrity and Accountability Act

A Diagnostic Overview for Improvement

Executive Summary

At the behest of the Director of the Department of Administration, Dr. Robert L. Carl, Jr., the Strategic Planning Unit of the Budget Office and the Bureau of Audits were requested to review the existing guidelines for reporting under the legislative provision of the 1986 Financial Integrity and Accountability Act with the view toward improving the guidelines and making the FIA report an important management tool.

A questionnaire, containing both opened and close-ended questions (Appendix B), was drawn up and circulated to 45 departments and agencies. The instruments measured included the following:

- ◆ Compliance
- ◆ Perception of Financial Integrity and Accountability Report and Related Evaluation Guidelines
- ◆ Level of Management's Involvement
- ◆ Training
- ◆ Existence of Policies and Procedures
- ◆ Comprehension of Agency's Mission and Objectives
- ◆ Use of Management Consultants

The result of each instrument measured is briefly described in the following paragraphs.

Compliance

The number of agencies complying with the requirements of the Act improved from FY 1997 reporting to FY 1998 by four percent to 62 percent (Table 18).

Perception of Financial Integrity and Accountability Report and Related Evaluation Guidelines

Only 17 or 38 percent (Table 17) of the entities surveyed regarded the FIA report as a useful management tool. This means that the rest did not view the report as serving any meaningful purpose. This suggests the need to establish an aggressive educational program most especially for program managers.

Level of Management's Involvement

There is a clear need for upper and middle level management to step up their involvement in the FIA reporting process. Responses from the survey revealed that about 43 percent (Table 14) of the time, an upper or middle management personnel or both were involved in completing the report. This supports the perception of the 28 other agencies and departments that did not value the report as a useful management tool, and thus, the need for an aggressive training program.

Training

This is perhaps the most important ingredient for the success of FIA reporting. Although only 15 agencies or 33 percent (Table 12) indicated that they had been trained formally, eight of them or 53 percent expressed the need for additional training. For those agencies and departments that received no formal training, such training would have to be made available if the FIA reporting is to be successful.

Existence of Policies and Procedures

Seventy-three percent or 33 agencies and departments (Table 11) had in place documented operating policies and procedures, an important internal control technique. This, however, is very encouraging.

Comprehension of Agency's Mission and Objectives

About 40 or 89 percent (Table 8) indicated that the mission of their agencies was understood by most, if not all, employees. More interestingly, 41 or 91 percent (Table 9) indicated that the objectives that the entity established supported the agency's mission.

Use of Management Consultants

About 15 agencies and departments or 33 percent (Table 6) indicated the use of a management consultant to assist in identifying management controls. This result supports the low level of interest of middle and upper management in participating fully in the FIA reporting process. It also supports the need for customized training.

Based on the results of the instruments measured and direct input from the agencies and departments, the following recommendations appeared to be in order: //

- ◆ The establishment of a customized training program
- ◆ Linking the FIA report to the Budget Act
- ◆ Custom-tailoring the guidelines to enable compliance with the 1986 FIA Act
- ◆ Correlating the FIA report to the program performance measurements

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I. Introduction

A. Refining the 1986 FIA Act Reporting Guidelines

On April 7, 1999, Dr. Robert L. Carr, Director of the Department of Administration, commissioned a review of the guidelines for reporting under the 1986 Financial Integrity and Accountability (FIA) Act in order to accomplish the following:

- To make the FIA report more useful as a management tool and more user friendly
- To tie this process more closely to the annual budget preparation and strategic planning processes
- To integrate the FIA process with the administration's managing-for-results initiative

This mandate is traceable to RIGL 35-14-16(c) which authorizes the Director, in consultation with the Auditor General and the Controller, to modify the format of the report or the framework for conducting the evaluation of internal accounting and administrative control vis-à-vis management controls.

The review team consists of the chiefs of the Bureau of Audit and Strategic Planning as well as the State Budget Officer. The results, conclusions, and recommendations from the study would be implemented statewide for the fiscal year ending June 30, 1999.

B. Statement of the Problem

Because assets in general are susceptible to misuse and abuse, it is necessary to design and place in operation controls that would reduce, if not eliminate, such tendencies. The public sector, including state government, is no exception.

Today, more than ever before the need for accountability has created a huge demand for more information about government programs and services. Therefore, legislators,

public officials, and citizens alike want and need to know whether government funds are being handled properly and in compliance with laws and regulations.

They are also demanding to know if government organizations, programs, and services are not only achieving their purposes but are also operating economically and efficiently.

During the 1986 Rhode Island legislative session, the legislature passed, and the Governor signed into law, the “Financial Integrity and Accountability Act. This Act created new and additional responsibilities, particularly for the executive branch of government. To ensure compliance, the Director of Administration was empowered to establish a system of reporting and a framework that would guide the agencies in fulfilling their new reporting responsibilities. Since the inception of the Act, both the Director and some of the agencies have been in compliance.

The institution of any system requires periodic review and evaluation to ensure an effective, efficient, and smooth operation. A diagnostic review will determine if current guidelines designed for the agencies and departments continue to remain effective or necessitate specific changes to make them more effective.

C. Statement of Purpose

The purpose of the review is to make the reporting process required under the 1986 Financial Integrity and Accountability Act simple, understandable, collaborative, results-driven, and communicable. Specifically, and in the words of Director Robert L. Carl, the purposes of the effort to revamp the FIA are to:

1. “make the FIA report more useful as a management tool and more user friendly”;

2. “tie this process more closely to the annual budget preparation and strategic planning processes”; and
3. Integrate the FIA process with the administration’s managing-for-results initiative.”

D. Scope and Limitation of Survey

This survey has been limited to the departments and agencies of the State of Rhode Island receiving public funds for various public program purposes. Proprietary component units, such as the Rhode Island Economic Development Corporation, receiving public funds have not been included in the survey since its mode of operation is enterprise-based and is not completely dependent on the State to finance its operations.

With regard to the nature and type of funds, the funds covered reflect all governmental types which include general revenue, special revenue (e.g. gas tax proceeds), and capital funds. Certain governmental trust funds, such as the State retirement pension funds, have not been included in this survey.

E. Research Method Utilized

The research method used to diagnostically review the existing FIA reporting guidelines was a questionnaire survey. For the purpose of this review, the unit of observation was the departments and agencies of the State of Rhode Island. The questionnaire, which reflected both closed and open-ended questions, was designed to test the following instruments:

- ◆ Compliance
- ◆ Perception of evaluation guidelines and Financial Integrity and Accountability (FIA) Report
- ◆ Level of management’s involvement
- ◆ Training

- ◆ Existence of policies and procedures
- ◆ Degree of comprehension of Agency's missions and objectives
- ◆ Extent of use of management consultants

The "compliance" instrument measures whether the agencies submitted the annual FIA report in a timely fashion. By law, each agency and department is required to submit a report by December 31 of each year (RIGL 35-14-6).

The instrument regarding the agency's perception of the evaluation guidelines relates to management's attitudes toward the evaluation guidelines. The existing guidelines were drafted by the State Controller.

The instrument that relates to the agency's perception of the FIA report itself measures management's attitude toward the report. In other words, it measures the value that management places on the FIA report. It seeks to answer the question: "Does management value the report?"

The instrument of "management involvement" measures the degree of involvement of the managerial layers within the entity. Is it only upper management, middle management, supervisory, or a combination of one or all that is involved in completing the report?

The "policies and procedures" instrument measures the existence of such procedural protocol. They act as guidelines that ensure the achievement of operating goals and objectives of the State entity, program, or services. If existence is established, to what degree does management observe such policies and procedures?

The agency's "mission and objectives" instrument measures the existence of both agency's mission and program objectives and whether most, if not all employees, comprehend the mission and objectives of the agency.

Finally, the “management consultant” instrument measures whether the agency has ever used the services of a management consultant to assist in identifying management controls.

F. Working Definitions

For the purpose of this survey, the following working definitions are in order:

1. Function means the natural or proper action for which a state agency or office is fitted. For example, the Department of Health would be and is included in the “Human Services” function of state government. The five functions are general government, human services, education, public safety, natural resources, and transportation.
2. Cabinet level agency means an agency that is headed by a director, who by law, is appointed by the Governor and confirmed by the Senate. It also includes the general offices whose heads have been and are elected by the citizens of the State of Rhode Island. These offices include the Governor, Lieutenant Governor, Attorney General, Secretary of State, and General Treasurer. At the cabinet level, it includes the following: a) General Government: Department of Administration, Department of Business Regulation, Department of Labor & Training. b) Human Services: Department of Health, Department of Elderly Affairs, Department of Human Services, Department of Children, Youths, and Families, and Department of Mental Health, Retardation, and Hospitals. c) Education: Department of Elementary & Secondary Education and the Board of Governor/Office of Higher Education. d) Public Safety: Department of Corrections and the Judiciary. e) Natural resources: Department of Environmental Management. f) Transportation: Department of Transportation.
3. Non-cabinet level agency refers to all other agencies not categorized as a cabinet-level agency.
4. FIA means the 1986 Financial Integrity and Accountability Act.
5. Upper management refers to the managerial stratum or first layer of management within the State entity; it includes general officers, deputy general officers, directors, executive and associate directors.
6. Middle management refers to the managerial stratum or second layer of management within the State entity; it includes assistant directors and chiefs.

7. Supervisory refers to the managerial stratum or third layer of management within the State entity; it includes supervisors and assistant supervisors.
8. FTE refers to a full time equivalent position; such position requires a minimum of 35 hours a week.

II. Survey Findings

A. Population and Sampling Units

Out of 48 state agencies and departments, including proprietary governmental component units, 45 or 94 percent were surveyed. The balance 3 or 6 percent that were not surveyed included the Legislature, Secretary of State, and Sheriffs of the Several Counties. Although the Legislature claimed an “exempt” status, the others were unintentionally left out of the survey. A copy of the questionnaire (Appendix B), along with a cover letter (Appendix A) were dispatched to 45 State departments and agencies on April 19, 1999.

Agencies and departments providing similar answers were grouped together (Appendix C) and the percentages (Appendix D) were also calculated. Similarly, the comments, (Appendix E) provided by the agencies and departments, were grouped together based on the instruments measured in the survey.

B. Results of Instruments Tested

1. Agency’s Suggestions for Improvement to FIA Reporting

In an effort to get input from the departments and agencies, the survey specifically requested comments and/or suggestions to improve the FIA evaluation guidelines and the report itself. Because the question was open-ended, the results have been far-reaching.

About 14 agencies or 31 percent (Appendix E) indicated the need for some additional or customized training. Here are some excerpts from the agencies and departments:

“The DBR has been able to effectively and efficiently complete the FIA report in past years; however, since each department head is responsible for his/her division’s section of the FIA report, it would be advantageous to hold a hands-on training session at the DBR consisting of these key personnel. This will promote interaction of ideas and concerns amongst the various department heads, as well as answer any questions which arise.”

“There is no need to increase the training on use of the report to integrate it into the management of agencies. Otherwise it is a “paperwork requirement” with little meaning except to the person who prepares the report.”

Twenty-four percent or 11 of the agencies surveyed provided no answer or comments for improvements. Twenty-two percent or ten agencies suggested the need to streamline and/or reduce the size of the report and guidelines without offering any specifics on how to accomplish the reduction.

Eleven percent or five agencies suggested the need to rotate the reporting requirement of the agency by concentrating on only one program or activity in one fiscal year, and then focusing on the next in the following fiscal year instead of reporting on the agency as a whole. In support of this view are the following excerpts:

“Strengths and weaknesses vary by Department. Rather than a “one size fits all” approach, allow a Department the opportunity to choose the particular area (within bounds) where introspection would be beneficial. The area would vary annually.”

“Make it more user-friendly with a goal. What is to be identified as a lack of control or weakness. Should be on-line response for reporting at all levels. Supervisors, chiefs need to have guidelines other than we need more people and money. In a centralized system, it is difficult to utilize internal controls. MBE reporting should be emphasized. Should have Dept evaluate internal systems based on previous years deficiencies.”

Three or 7 percent suggested a custom-tailored approach of reporting for both small and large agencies, excerpts of which are as follows:

“Create sub-categories and report on one each year, similar to last year (Y2K); create or redesign a FIA report for small agencies – 25 FTE’s or less.”

Another three or 7 percent suggested that the FIA report focus on specific areas. For example, one agency registered the following:

“Focus on one specific issue (e.g.) we found the Y2K focus in FY ‘98 very useful. Make training available. Streamline and simplify the process, including forms that are more useful. Make a clear connection with budget and strategic planning processes.”

Four percent or two agencies viewed the FIA report as being unhelpful as a management tool due to mitigating requirements such as the adherence to the Budget or guidelines of the Controller’s office. An excerpt follows:

“As a report the questionnaire seems too detailed and unhelpful---but as guidelines and self-training documents, I am finding them very helpful.”

Similarly, two other agencies or 4 percent of the population surveyed suggested changes to the existing statutes as far as the annual submission requirement was concerned. One agency suggested a quarterly reporting and the other, a biennial reporting. Excerpts are as follows:

“Revising report, reducing the size of the report and the detail required, and changing the annual submission requirement to a biannual submission. The Single State Audit report should be the foundation for the completion of the FIA report.”

“Some follow-through is needed. Agency visits/on-line submission through a web-site/various phases of report due quarterly rather than the entire report due once a year.”

Two other agencies or 4 percent suggested training on or the inclusion of the State’s policy and procedures handbook in the guidelines as an aid to completing the FIA report:

“One of the often-cited problems with the “State Accounting System” is the lack of any clear procedural guidelines and training for departmental personnel and more importantly “authorized agents”. Individuals are given signatory authority or put in government accounting jobs without being required to receive any formal training or pass any test on state laws and procedures. The procedural manuals are hopelessly out of date and there is no routing procedure for updating them as is typical for other government agencies.”

“The FIA reporting forms are usually the only tool a manager has to determine what the rules are. Questions such as, Is someone other than the accounts payable person responsible for opening the mail?, (are) the only written indication that this should be the case.”

“At minimum, an updated procedural manual should be issued covering existing state procedures and laws. Addendum should be distributed to a document control officer who has the responsibility to update all departmental manuals. There should be a training course through OTD that agencies can send new personnel to, and, other than the Department Directors, authorized signatories should be required to pass a proficiency test on state procedures and state purchasing statutes.”

Another one or two percent suggested that an agency be exempt from submitting an FIA report due to mitigating circumstances such as a full scope audit by the Auditor General’s office:

“If Auditor General’s office conducts an audit with recommendations and the agency implements the changes, then the agency should be free from submitting a FIA report for three years, or at the very least one.”

Only one agency or 2 percent suggested a linkage between strategic planning and the budget of the agency. Another 2 percent or one agency suggested that the Central Business Office of the Department of Administration provide direct assistance to small agencies. The excerpt is as follows:

“Designate someone from DOA to provide direct assistance and hands-on involvement with tiny state agencies.”

Table 1 below summarizes the responses of the agencies’ suggestions for improvements.

Table 1
Agencies' Suggestions for FIA Improvement

Suggestions	Cabinet	(%)	Non-Cabinet	%	Total	%
Additional or general training	3	7%	9	20%	12	27%
Customized training for managers	2	4%	0	0%	2	4%
Rotational or discretionary FIA reporting of program or activity	3	7%	2	4%	5	11%
Streamlining and/or reduction in size of report	5	11%	5	11%	10	22%
No submission due to mitigating circumstances	0	0%	1	2%	1	2%
Custom-tailored report for small/large agencies	1	2%	2	4%	3	7%
FIA report unhelpful due to mitigating circumstances	0	0%	2	4%	2	4%
Coherence of strategic planning and budgeting	1	2%	0	0%	1	2%
Changes to existing statute	1	2%	1	2%	2	4%
Focus on specific areas	3	7%	0	0%	3	7%
Department of Administration's direct technical assistance to small agencies	0	0%	1	2%	1	2%
Include excerpts of policy & procedural handbook	1	2%	1	2%	2	4%
Provided no answer	5	11%	6	13%	11	24%

2. Usefulness of Guidelines and Questionnaire

One of the primary purposes of the survey was to ascertain and evaluate the usefulness of the FIA guidelines and the FIA report itself. The results obtained from the agencies were mixed.

Of the 45 agencies that were surveyed, nearly half (20) or 44 percent did not provide answers to the question of whether the guidelines were found to be most or least useful. Fifteen or 33 percent found the "Accounting survey & Internal Control Questionnaire" to be most useful and almost half that number (about 13 percent) found it to be least useful. A combined total of 11 agencies or 24 percent found the "Operational Review Questionnaire", "Federally-funded Program Guidelines", and "Controlling Small Computer Applications Program" to be most useful.

Over half (28 agencies) or 62 percent found those guidelines to be least useful. One agency or 2 percent indicated a lack of knowledge of the guidelines; a similar one or two percent regarded the “Management Control Review Guide” to be most useful. Yet, another one or two percent considered the question not pertinent to its entity.

Overall, the results appeared to have been divided evenly. Twenty-eight or 62 percent viewed one or more of the guidelines to be most useful and 34 or 75 percent found either one or more of the guidelines to be least useful. Tables 2 and 3 below present the most interesting components of the Controller’s guidelines that the entities found the most and least useful.

Table 2
FIA Guidelines and Questionnaire Found Most Useful

Guidelines	Cabinet	%	Non-cabinet	%	Total	%
Accounting Survey & Internal Control Questionnaire	7	16%	8	17%	15	33%
Operational Review Questionnaire	2	4%	3	7%	5	11%
Federally-funded Program Guidelines	1	2%	2	5%	3	7%
Controlling Small Computer Application Programs	1	2%	2	5%	3	7%
Provided No Answer	4	9%	16	35%	20	34%

Table 3
FIA Guidelines and Questionnaire Found Least Useful

Guidelines	Cabinet	%	Non-cabinet	%	Total	%
Accounting Survey & Internal Control Questionnaire	3	6%	3	7%	6	13%
Operational Review Questionnaire	3	7%	5	11%	8	18%
Federally-funded Program Guidelines	4	8%	9	20%	13	28%
Controlling Small Computer Application Programs	3	7%	4	8%	7	15%
Provided No Answer	6	13%	15	34%	21	47%

3. Evaluation Guidelines Issued by Controller

The evaluation guidelines issued by the Controller are an integral component of the FIA Report. They form the foundation for the completion of the report. Hence, the perceptions of the agencies are critical to achieving the objectives of the 1986 FIA Act.

Twenty-four or 53 percent found the guidelines to be helpful contrary to 12 or 27 percent that did not find them helpful. The balance 9 or 20 percent either did not provide any answers, or were uncertain, or did not honestly know. While table 4 displays the summary, table 5 expands on the “not helpful” constituency.

Table 4
Agency’s Assessment of Evaluation Guidelines Issued by Controller

	Cabinet	%	Non-cabinet	%	Total	%
Helpful	11	24%	13	29%	24	53%
Not Helpful	3	7%	9	20%	12	27%
Provided No Answer	3	7%	1	2%	4	9%
Not Certain	1	2%	2	5%	3	7%
Do Not Know	0	0%	2	4%	2	4%
Totals	18	40%	27	60%	45	100%

Of the twelve agencies that did not find the guidelines helpful, 2 or 17 percent indicated that they did not understand the guidelines. Eight or 67 percent held the view that the guidelines were too time-consuming and 6 or 50 percent indicated an insufficiency of training. Only 2 or 17 percent indicated that they did not know how to use the guidelines. Other reasons provided included lack of customized training for non-cabinet level agencies, lack of resources, and non-receipt or lack of knowledge of the guidelines. The “other reasons” group included three non-cabinet level agencies. This reflects 25 percent of the total number that did not find the guidelines to be helpful. Table 5 below summarizes the reasons that the agencies did not find the guidelines helpful.

Table 5
Reasons Controller's Guidelines Were Considered "Not Helpful"

	Cabinet	%	Non-cabinet	%	Total	%
Did Not Understand Guidelines	1	8%	1	8%	2	16%
Viewed Guidelines as Time-consuming	3	25%	5	42%	8	67%
Did Not Know How to Use Guidelines	1	8%	1	8%	2	16%
Had Insufficient Training	1	8%	5	42%	6	50%
Others	0	0%	3	25%	3	25%

On the question of whether the guidelines were considered redundant, 15 or 33 percent said that the Controller's guidelines contained redundancies. Twenty-two or 49 percent did not believe that there were redundancies. Five or 11 percent provided no answer and one or 2 percent was not certain if the guidelines were redundant. The balance 2 or 4 percent did not review the guidelines and so could not render any opinion on them. The results are summarized in table 6 below.

Table 6
Redundancy Contained in Controller's Evaluation Guidelines

	Cabinet	%	Non-cabinet	%	Total	%
Contained redundancies	7	15%	8	18%	15	33%
Did not contain redundancies	8	18%	14	31%	22	49%
Provided no answer	3	7%	2	5%	5	12%
Not certain	0	0%	1	2%	1	2%
Did not review	0	0%	2	4%	2	4%
Totals	18	40%	27	60%	45	100%

4. Utilization of Consultants to Identify Management Controls

On the question of whether the agency had utilized the services of a management consultant to help identify management controls, fewer than 33 percent or 15 agencies answered in the affirmative. The majority, 29 in all or 64 percent, represented that such professional services had never been utilized. Only one cabinet-level agency in the public safety function provided no answer. The results are summarized in table 7 below.

Table 7
Utilization of Consultants to Identify Management Controls

	Cabinet	%	Non-cabinet	%	Total	%
Consultants Utilized	7	15%	8	18%	15	33%
Consultants Not Utilized	10	22%	19	42%	29	64%
Provided No Answer	1	3%	0	0%	1	3%
Not Certain	0	0%	0	0%	0	0%
Do Not Know	0	0%	0	0%	0	0%
Totals	18	40%	27	60%	45	100%

5. Comprehension of Agency's Mission

The question as to whether all employees understood or had working knowledge of the agency's mission, the answer was resoundingly in the affirmative. About 40 or 89 percent indicated that the mission of their agencies was understood. Only two or 4 percent answered in the negative. Table 8 below summarizes the results.

Table 8
Comprehension of Agency's Mission

	Cabinet	%	Non-cabinet	%	Total	%
Mission Understood	15	33%	25	56%	40	89%
Mission Not Understood	1	3%	1	2%	2	5%
Provided No Answer	1	2%	0	0%	1	2%
Not Certain	1	2%	0	0%	1	2%
Limited	0	0%	1	2%	1	2%
Do Not Know	0	0%	0	0%	0	0%
Totals	18	40%	27	60%	45	100%

6. Objectives Established in Support of Agency's Mission

In comparison to the number of agencies that indicated that their employees understood the agency's mission, one additional agency or two percent also indicated that objectives were established to support the agency's mission. Forty-one of the 45 agencies or 91 percent believed that the objectives established supported the agency's

mission. Only two or 4 percent represented that the objectives established did not support the agency's mission. Table 9 provides the summary of the agencies' responses.

Table 9
Objective Established That Are in Support of the Agency's Mission

	Cabinet	%	Non-cabinet	%	Total	%
Objectives Support Mission	16	36%	25	55%	41	91%
Objectives Did Not Support Mission	1	2%	1	2%	2	4%
Provided No Answer	1	2%	0	0%	1	2%
Not Certain	0	0%	0	0%	0	0%
Limited	0	0%	1	3%	1	3%
Do Not Know	0	0%	0	0%	0	0%
Totals	18	40%	27	60%	45	100%

7. Agency's Implementation of Results of FIA Report for Corrective Action

Regarding the implementation of the results of the FIA reports, about 18 or 40 percent implemented corrective actions in fulfillment of the objectives of the Act for FY 1997 and FY 1998. The same number did not use the results for corrective actions. Seven or 16 percent provided no answer to the question as to whether the results of the FIA report were used to implement corrective actions. One or two percent indicated that it was not certain if the results had been implemented. The results are summarized in table 10 below.

Table 10
Results of FIA Report Used for Corrective Action

	Cabinet	%	Non-cabinet	%	Total	%
Used for Corrective Action	8	18%	10	22%	18	40%
Did Not Use for Corrective Action	5	11%	13	29%	18	40%
Considered Not Applicable	0	0%	1	2%	1	2%
Not Certain	0	0%	1	2%	1	2%
Provided No Answer	5	11%	2	5%	7	16%
Totals	18	40%	27	60%	45	100%

8. Documented Operating Policies and Procedures

The existence and adherence to policies and procedures is one control technique that ensures management's directives are carried out. Policies and procedures that are relevant to program operations are more likely to convert efforts into meaningful and appreciable output. The result obtained from measuring this instrument was very encouraging.

Over 70 percent or 33 agencies indicated they had available written operating policies and procedures. Only four or 9 percent indicated that although such policies and/or procedures were not available for the entity as a whole, there were some for members serving in such capacities as the boards of trustees, commissioners, or directors. The balance 18 percent or 8 agencies provided no answer or indicated the non-existence of such internal control technique. Table 11 below depicts the summary.

Table 11
Existence of Policies and Procedures

	Cabinet	%	Non-cabinet	%	Total	%
Operating Policies and Procedures Available	14	31%	19	42%	33	73%
Operating Policies and Procedures Not Available	0	0%	5	11%	5	11%
Partially Available	1	2%	3	7%	4	9%
Not Certain	0	0%	0	0%	0	0%
Provided No Answer	3	7%	0	0%	3	7%
Totals	18	40%	27	60%	45	100%

9. Exposure to Formal Training

Training is essential to maintaining current skill level; completing the FIA report has been no exception. About 33 percent or 15 agencies indicated that they had received formal training for the FIA report. This stands in contrast to 26 other agencies or 58 percent that indicated they had received no formal training. The balance 4 or 9 percent

provided no answer, or were uncertain about the training. Table 12 below displays the summary of formal training; tables 13 and 14 detail the need for additional or initial training.

Table 12
Formal Training for FIA Report

	Cabinet	%	Non-cabinet	%	Total	%
Received Formal Training	8	18%	7	15%	15	33%
Did Not Receive Formal Training	8	18%	18	40%	26	58%
Provided No Answer	2	4%	1	3%	3	7%
Not Certain	0	0%	1	2%	1	2%
Do Not Know	0	0%	0	0%	0	0%
Totals	18	40%	27	60%	45	100%

On the issue of whether an agency was predisposed to additional training after having received initial formal training, over half (53 percent) of the 15 agencies that did receive formal training indicated that they were willing to receive additional training. Only one or 7 percent indicated that it did not need additional training. The balance 6 or 40 percent provided no answer on the question of whether additional training would be seriously considered. Table 13 below details the willingness of the agencies to undertake additional training.

Table 13
Agencies Expressing Need for Additional Training

	Cabinet	%	Non-cabinet	%	Total	%
Need Additional Training	3	20%	5	33%	8	53%
Do Not Need Additional Training	0	0%	1	7%	1	7%
Provided No Answer	5	33%	1	7%	6	40%
Totals	8	53%	7	47%	15	100%

Of the 26 agencies that did not receive initial training, 14 or 54 percent expressed the need for initial training and the balance 12 or 46 percent provided no answer. This reflects a combined total of 29 agencies or 64 percent that have expressed the need for some type of training.

11. Level of Management's Involvement with FIA Report

Results from the survey indicated that at least 40 percent of the time, middle or upper management was involved in completing the report. Only two percent of the time did a supervisor complete the report. An employee completed the same report two percent of the time. Another state functionary (Department of Administration's Central Business Office) completed the report for another State agency four percent of the time. Table 14 below summarizes the participation level of both management and employee at completing the FIA report.

Table 14
Management's Level of Involvement with FIA Report

	Cabinet	%	Non-cabinet	%	Total	%
Upper Management Only	2	5%	5	11%	7	16%
Middle Management Only	2	4%	2	5%	4	9%
Supervisor Only	0	0%	1	2%	1	2%
Employee Only	0	0%	1	2%	1	2%
Middle and Upper Management	4	9%	4	9%	8	18%
Other State Functionary*	0	0%	2	5%	2	5%
Provided No Answer	5	11%	3	7%	8	18%
Considered Not Applicable	0	0%	2	4%	2	4%
All Other Combination of Employees, Supervisor, Middle Management, and Upper Management	5	11%	7	15%	12	26%
Totals	18	40%	27	60%	45	100%

* Other State functionary refers to the Central Business Office of the Department of Administration. Previously, the Office of Management and Administrative Services (OMAS) was delegated that task.

12. Completeness of Guidelines for FIA Report

On the question of whether the agencies surveyed received the complete package of the guidelines, the result was exceptionally satisfactory. About 34 or 76 percent of the agencies answered in the affirmative. Only 6 or 13 percent provided no answer while three others indicated that the guidelines were not received. Table 15 below provides a summary of the result.

Table 15
Receipt of Complete Package of FIA Report Guidelines

	Cabinet	%	Non-cabinet	%	Total	%
Received Forms	15	33%	19	42%	34	75%
Did Not Receive Forms	0	0%	3	7%	3	7%
Considered Not Applicable	0	0%	1	2%	1	2%
Not Certain	0	0%	1	2%	1	2%
Provided No Answer	3	7%	3	7%	6	14%
Do Not Know	0	0%	0	0%	0	0%
Totals	18	40%	27	60%	45	100%

13. Perception of FIA Report as a Useful Management Tool

The perception of the FIA report as a useful management tool was divided evenly between those that answered in the affirmative and those that did not. Seventeen or 38 percent viewed the FIA report as a useful management tool and about 15 or 33 percent did not view the report as a useful management tool. Six or 13 percent did not consider it applicable to their agencies and 7 other or 16 percent provided no answer or opinion. The results have been summarized in table 16 below.

Table 16
Perception of FIA Report

	Cabinet	%	Non-cabinet	%	Total	%
Viewed as a Useful Management Tool	8	18%	9	20%	17	38%
Not Viewed as a Useful Management Tool	6	13%	9	20%	15	33%
Considered Not Applicable	0	0%	6	13%	6	13%
Provided No Answer	4	9%	3	7%	7	16%
Totals	18	40%	27	60%	45	100%

Since management is supposed to view the FIA report as a useful management tool to efficiently and effectively manage its financial and operating activities, the survey examined in depth the reasons that agencies did not view the FIA report as a useful management tool.

Of the 15 agencies that did not view the FIA report as a useful management tool, 4 or 13 percent agreed that they will not use the report to effect change. Eight or 53 percent believed that because the information was contained elsewhere (such as the Auditor General's report), they did not view the report as a useful management tool. Three or 26 percent indicated a willingness to change their perception if financial and human resources were made available. Table 17 provides the summary of the reasons that some of the agencies did not view the FIA report as a useful management tool.

Table 17
Reasons Agency Did Not View FIA Report as a Useful Management Tool

	Cabinet	%	Non-cabinet	%	Totals*	%
Will Not Use Report to Effect Change	2	13%	2	13%	4	26%
Would Change but Lack Resources	1	7%	2	19%	3	26%
Unaware FIA Report is a Management Tool	0	0%	2	13%	2	13%
Information Contained Elsewhere	5	33%	3	20%	8	53%
Other**	0	0%	2	13%	2	13%
Totals	8	53%	11	78%	19	131%

* Total does not add to 15 because agencies were given the chance to select more than one option.

** For example, the Commission on Deaf and Hard of Hearing, did not believe its size warranted the level of complexity and patience that the guidelines required.

14. Agency's Compliance with FIA Reporting

For FY 1997, over 50 percent of all agencies surveyed complied with the Act. For cabinet-level agencies, 11 agencies or 24 percent were in compliance while 7 or 16 percent were not in compliance. For non-cabinet level agencies, 15 or 33 percent were in compliance while 9 or 20 percent were not in compliance for FY 1997.

For FY 1998, legal compliance improved overall from 58 percent to 62 percent, reflecting an increase of 2 additional agencies or 4 percent. Table 18 summarizes the rate of statutory compliance of agencies with the Act.

Table 18
Compliance of Agencies with 1986 FIA Act

	FY 1998	FY 1997	Change	%
Cabinet				
Submitted	14	11	3	27%
Did Not Submit	4	7	(3)	(43%)
Totals	18	18	-	
Non-Cabinet				
Submitted	14	15	(1)	(7%)
Did Not Submit	10	9	1	11%
Totals	24	24	-	
Grand Totals	42	42	-	

Out of the total surveyed population of 45, 3 non-cabinet level agencies or 7 percent were either not certain, did not know, or provided no answer to the FY 1997 FIA submission question. The situation was similar for FY 1998 submission request. For FY 1997, 2 of three agencies were “public safety” and one was “natural resources”. For FY 1998, there was a slight change. Two of the three were “public safety” and the other, a “human services” agency.

Although the results of the agencies’ statutory compliance with the Act have been satisfactory, a near perfect rate of compliance would have been exceptional. Thus, the reasons for non-compliance were examined in-depth.

Of the 27 agencies that submitted the annual report, only one or 4 percent had technical difficulties completing the report. Such technical difficulties ranged from not understanding the report to not knowing how to complete it. On the other hand, those agencies (15 in all) that did not submit a report for either FY 1997 or FY 1998, did so for a number of reasons. Six agencies, including one cabinet-level agency indicated a lack of time to fill out the report and viewed the process as being tedious. Five of the 15 agencies indicated a lack of resources while 4 did not place any value on the report. Five

provided other reasons for not completing the report. Table 19 summarizes the results of the agencies' FIA statutory compliance.

Table 19
Reasons for Lack of Compliance with 1986 FIA Act

	Cabinet	%	Non-Cabinet	%	Totals*	%
Did Not Understand Report	0	0%	1	7%	1	7%
Did Not Know How to Fill Out Report	0	0%	1	7%	1	7%
Did Not Value Report	2	13%	2	13%	4	26%
Lacked Resources	1	7%	4	27%	5	34%
Lacked Time	1	7%	5	33%	6	40%
Considered Review Process Tedious	1	7%	5	33%	6	40%
Other	2	13%	3	20%	5	33%
Provided No Answer	0	0%	1	7%	1	7%
Totals**	7	47%	22	147%	29	194%

* Fifteen agencies in all did not submit a report for either FY 1997 or FY 1998. Because agencies provided more than one answer based on the options included in the survey, the total does not add up to 15.

** Refers to other mitigating factors mentioned by agency; for example, the Board of Elections indicated that it did not submit a report because the Auditor General completed a thorough audit of its FY 1996 operations. Higher Education Assistance Authority also indicated that it relied on its annual CPA audit. Another general officer (The Treasurer) indicated that it was not certain if general officers were required to be in compliance.

III. Summary , Conclusions, and Recommendations

A. Summary and Conclusion

Over 50 percent of the agencies surveyed appeared to have been enthusiastic about revising the 1986 FIA Act reporting process. Given this high level of positive attitude, it is reasonable to conclude that the agencies will be receptive and be willing to participate in future training programs.

Regarding the usefulness of the FIA guidelines and questionnaire, about 53 percent considered the guidelines to be least useful in contrast to 66 percent that considered them most useful. This is further supported by the fact that 60 percent of the agencies were unwilling to implement the results of the FIA report for corrective actions. This is further corroborated by the result obtained from the level of management's involvement with the

FIA report. Sixty percent of the time the report was completed by an employee or some other person at the supervisory level. Consequently, it is not surprising that 62 percent of the agencies' middle and upper management did not view the FIA report as a useful management tool.

Because 64 percent of the agencies indicated that they had never utilized the services of a management consultant, this points to the need for the Department of Administration to provide technical assistance to the agencies on an "as needed" basis. Such technical assistance could be, but not necessarily limited to the following:

- ◆ Provision of training
- ◆ Assisting in the completion of the FIA report including explanation of the guidelines

The need for training cannot be overemphasized. It is crucial to the success of FIA reporting. While 58 percent indicated that they did not receive formal training, 53 percent indicated the need for additional training. The design of a training program is crucial to the success of the reporting requirements of the 1986 FIA Act.

B. Recommendations

Based on the results obtained from the survey, the following recommendations appeared to be in order:

- ◆ Provision of a customized training program
- ◆ Linking the FIA Report to the Budget Act
- ◆ Custom-tailoring the FIA guidelines to the Budget Act
- ◆ Correlating the FIA report to the program performance measurement results

Training

A customized training program should be established and placed in operation. It should also delineate on the basis of size and budgetary line appropriation. These parameters, if established, would focus attention on operating and financial operations of the various state-funded programs. In essence, while it may be necessary for program managers to have working knowledge of the financial and fiscal operation related to their agency as a whole, they need only concentrate on their respective program jurisdictions. In this way, both program and financial managers' time will be effectively and efficiently used to obtain the desired result. Time spent sifting through extraneous and irrelevant information is eliminated or avoided.

1. The FIA Report should be consistent with the Budget Act

The Budget Act itself is a legal compliance document that specifies the expenditure limits of all state-funded programs. So while agency heads may be responsible for their agencies as a whole, program managers would be held accountable for their respective programs. Thus, basing the FIA report on the programs funded in the Budget Act helps managers to focus on their programs by developing appropriate and relevant management controls as well as performance targets. Such controls could be determined and established in consultation with the Bureau of Audits within the Department of Administration.

2. Custom-tailor the 1986 FIA Act Reporting Guidelines

The FIA reporting guidelines should be custom-tailored for each funded program included in the Budget Act. For example, if a program is primarily fiscal and/or

financial, then that program manager should only have to complete the “Accounting Survey and Internal Control Questionnaire”. On the other hand, if the program is operational with no fiscal duties and responsibilities, then only the “Operational Review Questionnaire” should be completed. If necessary and where possible, it should also be custom-tailored following a comprehensive review of the various programs of the State. Oversight responsibilities should vest with the Bureau of Audit with input from program and financial managers.

4. Correlate FIA Report to program performance measurement

While the objective of the FIA report is to ensure that management controls are designed and placed in operation, such controls are likely to have a direct impact on program performance goals or objectives. Consequently, linking the report to year end program performance standards could provide early warning signals to managers to take corrective action for the achievement of program goals and objectives.



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

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TO: Directors of Departments and Agencies
Stephen M. Cooper
FROM: Stephen M. Cooper, CFE, CGFM, Chief
Administration/Bureau of Audits
DATE: April 19, 1999
SUBJECT: Financial Integrity Accounting (FIA) Reporting Survey

On April 7, 1999, Dr. Robert L. Carl, Jr., Director, Department of Administration informed you of the need to review and revamp the Financial Integrity Accounting (FIA) reporting process as part of his ongoing management improvement program. Dr. Carl, then directed the Bureau of Audits and the Strategic Planning Unit of the Budget Office to begin assessing the entire FIA reporting process.

In our effort to redesign the FIA reporting process we need to ascertain your opinion on the existing process. Please complete the attached survey to help us identify areas for improvement. This survey will be part of our work product and, as such, will be considered as confidential under Rhode Island General Law, Title 38, Chapter 2, "Access to Public Records." Therefore, your answers should be candid and complete.

Please return the completed survey to the Bureau of Audits no later than May 6, 1999. We also ask that you provide the name of a contact person to assist us in compiling and evaluating your responses.

To reiterate Dr. Carl's Memorandum, your active involvement in this project is essential in enhancing the FIA reporting process.

SMC:pb2-83
Attachment

pc: Stephen P. McAllister, State Budget Officer

FINANCIAL INTEGRITY AND ACCOUNTABILITY (FIA) SURVEY

Please complete the following survey to assist us to redesign the present process. Our goal is to monitor the continued effectiveness of management risk-related policies and procedures utilized by your agency. While the survey can be completed in less than thirty minutes, your continued participation is essential in improving the process as a management tool. Although the survey was designed to limit your time, we welcome any additional comments you deem necessary.

Please submit your completed survey and include the name of your designee to the Bureau of Audits by May 6, 1999.

Your Department/Agency _____
Name of person(s) completing survey _____

1. Did your agency submit an FIA report for F/Y's 98 and 97? YES NO
If No, why? You can check off more than one.
 - Did not understand report ()
 - Did not know how to fill out report ()
 - Did not feel report was necessary, no value ()
 - Lacked resources to fill out report ()
 - Lacked time to fill out report ()
 - Review/evaluation process is too tedious ()
 - Other _____ ()
2. If report was submitted was it viewed as a useful management tool? YES NO
If No, why? You can check off more than one.
 - Will not use report to effect change ()
 - Would change but lack resources ()
 - Public sensitivity ()
 - Unaware that it is a management tool ()
 - Information is contained in other reports ()
 - Other _____ ()
3. Did you receive all the blank forms for the FIA report? YES NO
4. What levels of management were involved in filling out the report?
You can check off more than one.
 - Upper management ()
 - Middle management ()
 - Supervisory ()
 - Employees ()
5. Did you receive formal training for the FIA report? YES NO
 - If Yes, do you feel you need additional training? ()
 - If No, do you feel you need initial training? ()

6. Does your agency have written operating policies and procedures? YES NO

7. Have you used the results of the FIA report for corrective Action? YES NO

If Yes, state how: _____

If No, state reason(s) why: _____

9. Is the mission of your agency clearly understood by all employees and have objectives been established which support the mission? YES NO

10. Have you made use of consultants to help identify management controls? YES NO

11. Were the FIA evaluation guidelines issued by the State Controller helpful? YES NO

If No, why? You can check off more than one.

Did not understand guidelines ()

Guidelines appear to be time consuming ()

Did not know how to use guidelines ()

Insufficient training in their use ()

Other _____

12. The FIA report contains the following questionnaires and guidelines:

- Accounting Survey and Internal Control Questionnaire
- Operational Review Questionnaire
- Guidelines for Federally Funded Programs
- Guidelines for Controlling Small Computer Applications

Do you feel the above collectively contains redundancies? YES NO

If Yes, specify how: _____

13. Which of the above questionnaires and guidelines were:

Most useful? Why? _____

Least useful? Why? _____

14. Recognizing that the law requiring the FIA report will not be repealed what recommendations do you suggest to improve: the evaluation process, training, the report, etc? _____

FIA SURVEY DESIGNEE

Name: _____

Title: _____

Unit/Agency: _____

Department: _____

Phone #: _____

Question by Question Detailed Analyses							
Question No. 1.a: Whether Agency Submitted FY 1998 FIA Report							
			Considered				
		Did Not	Not	Provided	Not	Do Not	
	Submitted	Submit	Applicable	No Answer	Certain	Know	Total
Cabinet Level							
General Government	4	2					6
Human Services	5						5
Education	1	1					2
Public Safety	2	1					3
Natural Resources	1						1
Transportation	1						1
Sub-Total	14	4	0	0	0	0	18
Non-Cabinet							
General Government	3	2					5
Human Services	3	2			1		6
Education	2	3					5
Public Safety	4	3			1	1	9
Natural Resources	2						2
Transportation							0
Sub-Total	14	10	0	0	2	1	27
Grand Total	28	14	0	0	2	1	45

Question by Question Detailed Analyses							
Question No. 1.b: Whether Agency Submitted FY 1997 FIA Report							
			Considered				
		Did Not	Not	Provided	Not	Do Not	
	Submitted	Submit	Applicable	No Answer	Certain	Know	Total
Cabinet Level							
General Government	2	4					6
Human Services	4	1					5
Education	1	1					2
Public Safety	2	1					3
Natural Resources	1						1
Transportation	1						1
Sub-Total	11	7	0	0	0	0	18
Non-Cabinet							
General Government	1	4					5
Human Services	5	1					6
Education	3	2					5
Public Safety	5	2			1	1	9
Natural Resources	1			1			2
Transportation							0
Sub-Total	15	9	0	1	1	1	27
Grand Total	26	16	0	1	1	1	45

Question by Question Detailed Analyses										
Question No. 1.b.1: Agency Did Not Submit FIA Report Due To:										
	Not Under-	Not	Not	Lack		Review				
	standing	Knowing	Valuing	of	Lack of	Process			Provided	
	Report	How to Fill	Report	Resources	Time	Being		Other	No Answer	Total
	Report	Out Report	Report	Resources	Time	Tedious		Other	No Answer	Total
Cabinet Level										
General Government			2		1	1		2	0	6
Human Services				1						1
Education										0
Public Safety										0
Natural Resources										0
Transportation										0
Sub-Total	0	0	2	1	1	1		2	0	7
Non-Cabinet										
General Government		1		1	1	2		1	1	7
Human Services	1		1	2	1	1				6
Education			1		2	1		1		5
Public Safety				1	1	1		1		4
Natural Resources										0
Transportation										0
Sub-Total	1	1	2	4	5	5		3	1	22
Grand Total	1	1	4	5	6	6		5	1	29

Question by Question Detailed Analyses										
<u>Question No. 1.a.1: Although Agency Submitted FIA Report, Agency:</u>										
		Did Not								
	Did Not	Know How	Did not view			Considered	Provided			
	Understand	to Fill Out	Report to	Lacked	Lacked	Process	Other	Provided		
	Report	Report	be of Value	Resources	Time	Tedious	Reasons	No Answer	Total	
Cabinet Level										
General Government										0
Human Services										0
Education										0
Public Safety										0
Natural Resources										0
Transportation										0
Sub-Total	0	0	0	0	0	0	0	0	0	0
Non-Cabinet										
General Government										0
Human Services	1	1								2
Education										0
Public Safety										0
Natural Resources	1	1	1							3
Transportation										0
Sub-Total	2	2	1	0	0	0	0	0	0	5
Grand Total	2	2	1	0	0	0	0	0	0	5

Question by Question Detailed Analyses							
Question No. 2: Whether FIA Report Was Viewed as a Useful Management Tool							
	Viewed as	Not Viewed	Considered		Provided		
	a Useful	as a Useful	Not	Not	No	Do Not	
	Mang't Tool	Mang't Tool	Applicable	Certain	Answer	Know	Total
Cabinet Level							
General Government	3	1			2		6
Human Services	1	4					5
Education		1			1		2
Public Safety	2				1		3
Natural Resources	1						1
Transportation	1						1
Sub-Total	8	6	0	0	4	0	18
Non-Cabinet							
General Government	2	1	2				5
Human Services	3	2	1				6
Education	2	2	1				5
Public Safety	1	3	2		3		9
Natural Resources	1	1					2
Transportation							0
Sub-Total	9	9	6	0	3	0	27
Grand Total	17	15	6	0	7	0	45

Question by Question Detailed Analyses								
Question No. 2.a: Although Agency Did View FIA Report as a Useful Management Tool, Agency:								
	Will not use	Would			Believes			
	report to	change	Considers	Is Unaware	Info is	Provided	Provided	
	effect	but lack	Public	it's a	contained	Provided	Other	
	change	resources	sensitivity	mang't tool	elsewhere	No Answer	Reasons	Total
Cabinet Level								
General Government								0
Human Services								0
Education								0
Public Safety								0
Natural Resources								0
Transportation								0
Sub-Total	0	0	0	0	0	0	0	0
Non-Cabinet								
General Government								0
Human Services		1						1
Education								0
Public Safety								0
Natural Resources								0
Transportation								0
Sub-Total	0	1	0	0	0	0	0	1
Grand Total	0	1	0	0	0	0	0	1

Question by Question Detailed Analyses							
Question No. 2.b: Reasons Agency Did Not View FIA Report as a Useful Management Tool, Agency							
	Will not use report to effect change	Would change but lack resources	Considers public sensitivity	Is unaware it's a mang't tool	believes info is contained elsewhere	Provided Other reasons	Total
Cabinet Level							
General Government					1		1
Human Services	1	1			3		5
Education	1				1		2
Public Safety							0
Natural Resources							0
Transportation							0
Sub-Total	2	1	0	0	5	0	8
Non-Cabinet							
General Government					1		1
Human Services					1	1	2
Education	1			1		1	3
Public Safety	1	1		1	1		4
Natural Resources		1					1
Transportation							0
Sub-Total	2	2	0	2	3	2	11
Grand Total	4	3	0	2	8	2	19

Question by Question Detailed Analyses							
Question No. 3: Whether Agency Received All Blank Forms for FIA Report							
		Did Not	Considered		Provided		
	Received	receive	Not	Not	No	Do Not	
Cabinet Level	Forms	Forms	Applicable	Certain	Answer	Know	Totals
General Government	5				1		6
Human Services	5						5
Education	1				1		2
Public Safety	2				1		3
Natural Resources	1						1
Transportation	1						1
Sub-Total	15	0	0	0	3	0	18
Non-Cabinet							
General Government	3	1	1				5
Human Services	6						6
Education	5						5
Public Safety	4	2		1	2		9
Natural Resources	1				1		2
Transportation							0
Sub-Total	19	3	1	1	3	0	27
Grand Total	34	3	1	1	6	0	45

Question by Question Detailed Analyses																
Question No. 4: Levels Within the Agency That Were Involved in Filling out FIA Report																
		Considered							Upper, Middle,	Supervisory	Provided	Middle,	Middle		Other	
	Upper	Not	Supervisory	Employees	Upper &	Upper &	Upper &	Upper, Middle,	Supervisory	&	No	Supervisory,	Mang't	Middle &	State	
	Mang't Only	Applicable	Only	Only	Middle	Supervisory	Employees	Supervisory	Employees	Employees	Answer	Employees	Only	Supervisory	Functionary	Totals
Cabinet Level																
General Government	1									1	2	1	1			6
Human Services	1				2			1				1				5
Education					1						1					2
Public Safety								1			2					3
Natural Resources					1											1
Transportation													1			1
Sub-Total	2	0	0	0	4	0	0	2	0	1	5	2	2	0	0	18
Non-Cabinet																
General Government	1		1		1					1			1			5
Human Services		1		1		1	2	1								6
Education	1	1			1				1				1			5
Public Safety	2				1						3			1	2	9
Natural Resources	1				1											2
Transportation																0
Sub-Total	5	2	1	1	4	1	2	1	1	1	3	0	2	1	2	27
Grand Total	7	2	1	1	8	1	2	3	1	2	8	2	4	1	2	45

Question by Question Detailed Analyses						
Question No. 5: Whether Agency Received Formal Training for FIA Report						
	Received	Did Not Receive				
	Formal	Formal	Provided No	Not	Do Not	
Cabinet Level	Training	Training	Answer	Certain	Know	Totals
General Government	1	5				6
Human Services	3	2				5
Education	1		1			2
Public Safety	2		1			3
Natural Resources		1				1
Transportation	1					1
Sub-Total	8	8	2	0	0	18
Non-Cabinet						
General Government	2	3				5
Human Services	2	3		1		6
Education	1	4				5
Public Safety	1	7	1			9
Natural Resources	1	1				2
Transportation						0
Sub-Total	7	18	1	1	0	27
Grand Total	15	26	3	1	0	45

Question by Question Detailed Analyses								
Question No. 5.a: Whether Agency That Received Formal Training May or May Not Need Additional Training								
	Need	Do Not Need						
	Additional	Additional	Provided					
	Training	Training	No Answer	Totals				
Cabinet Level								
General Government			1	1				
Human Services	3			3				
Education			1	1				
Public Safety			2	2				
Natural Resources				0				
Transportation			1	1				
Sub-Total	3	0	5	8				
Non-Cabinet								
General Government	1	1		2				
Human Services	1		1	2				
Education	1			1				
Public Safety	1			1				
Natural Resources	1			1				
Transportation				0				
Sub-Total	5	1	1	7				
Grand Total	8	1	6	15				

Question by Question Detailed Analyses								
Question No. 5.b: Whether Agency That Did Not Receive Formal Training May or May Not Need Initial Training								
	Need	Do Not						
	Initial	Need Initial	Provided					
	Training	Training	No Answer	Totals				
Cabinet Level								
General Government	3		2	5				
Human Services	2			2				
Education				0				
Public Safety				0				
Natural Resources	1			1				
Transportation				0				
Sub-Total	6	0	2	8				
Non-Cabinet								
General Government	1		2	3				
Human Services	1		2	3				
Education	2		2	4				
Public Safety	3		4	7				
Natural Resources	1			1				
Transportation	0			0				
Sub-Total	8	0	10	18				
Grand Total	14	0	12	26				

Question by Question Detailed Analyses						
Question No. 6: Whether Agency Had Available Written Operating Policies and Procedures						
	Available	Not Available	Provided No Answer	Not Certain	Partially Available	Totals
Cabinet Level						
General Government	5		1			6
Human Services	3		1		1	5
Education	2					2
Public Safety	2		1			3
Natural Resources	1					1
Transportation	1					1
Sub-Total	14	0	3	0	1	18
Non-Cabinet						
General Government	3				2	5
Human Services	6					6
Education	3	2				5
Public Safety	5	3			1	9
Natural Resources	2					2
Transportation	0					0
Sub-Total	19	5	0	0	3	27
Grand Total	33	5	3	0	4	45

Question by Question Detailed Analyses						
Question No. 7: Whether Agency Used Results of FIA Report for Corrective Action						
		Did Not				
	Used for	use for	Considered		Provided	
	Corrective	Corrective	Not	Not	No	
Cabinet Level	Action	Action	Applicable	Certain	Answer	Totals
General Government	3	1			2	6
Human Services	2	3				5
Education		1			1	2
Public Safety	1				2	3
Natural Resources	1					1
Transportation	1					1
Sub-Total	8	5	0	0	5	18
Non-Cabinet						
General Government	3	1	1			5
Human Services	2	3			1	6
Education	2	2		1		5
Public Safety	2	6			1	9
Natural Resources	1	1				2
Transportation						0
Sub-Total	10	13	1	1	2	27
Grand Total	18	18	1	1	7	45

Question by Question Detailed Analyses								
Question No. 9.a: Whether Mission of Agency Was Understood by All Employees								
	Mission	Mission Not	Provided	Not		Do Not		
Cabinet Level	Understood	Understood	No Answer	Certain	Limited	Know	Totals	
General Government	4	1		1			6	
Human Services	5						5	
Education	2						2	
Public Safety	2		1				3	
Natural Resources	1						1	
Transportation	1						1	
Sub-Total	15	1	1	1	0	0	18	
Non-Cabinet								
General Government	4				1		5	
Human Services	6						6	
Education	5						5	
Public Safety	8	1					9	
Natural Resources	2						2	
Transportation							0	
Sub-Total	25	1	0	0	1	0	27	
Grand Total	40	2	1	1	1	0	45	

Question by Question Detailed Analyses							
Question No. 9.b: Whether Objectives Established Supported Agency's Mission							
	Objectives	Objectives					
	Support	Did Not					
	Mission	Support	Provided	Not		Do Not	
Cabinet Level	Mission	Mission	No Answer	Certain	Limited	Know	Totals
General Government	5	1					6
Human Services	5						5
Education	2						2
Public Safety	2		1				3
Natural Resources	1						1
Transportation	1						1
Sub-Total	16	1	1	0	0	0	18
Non-Cabinet							
General Government	4				1		5
Human Services	6						6
Education	5						5
Public Safety	8	1					9
Natural Resources	2						2
Transportation							0
Sub-Total	25	1	0	0	1	0	27
Grand Total	41	2	1	0	1	0	45

Question by Question Detailed Analyses						
Question No. 10: Whether Consultants Were Utilized to Help Identify Management Controls						
	Consultants	Consultants	Provided	Not	Do Not	
Cabinet Level	Utilized	Not Utilized	No Answer	Certain	Know	Totals
General Government	1	5				6
Human Services	2	3				5
Education	2					2
Public Safety	1	1	1			3
Natural Resources	1					1
Transportation		1				1
Sub-Total	7	10	1	0	0	18
Non-Cabinet						
General Government	3	2				5
Human Services	1	5				6
Education	1	4				5
Public Safety	2	7				9
Natural Resources	1	1				2
Transportation						0
Sub-Total	8	19	0	0	0	27
Grand Total	15	29	1	0	0	45

Question by Question Detailed Analyses						
Question No. 11: Whether Evaluation Guidelines Issued by State Controller Were Helpful						
	Helpful	Not Helpful	Provided No Answer	Not Certain	Do Not Know	Totals
Cabinet Level						
General Government	4	1	1			6
Human Services	3	2				5
Education	1		1			2
Public Safety	1		1	1		3
Natural Resources	1					1
Transportation	1					1
Sub-Total	11	3	3	1	0	18
Non-Cabinet						
General Government	3	1			1	5
Human Services	3	3				6
Education	3	2				5
Public Safety	3	2	1	2	1	9
Natural Resources	1	1				2
Transportation						0
Sub-Total	13	9	1	2	2	27
Grand Total	24	12	4	3	2	45

Question by Question Detailed Analyses							
Question No. 11.a: Guidelines Were Not Considered Helpful Because Agency:							
		Viewed	Did Not				
	Did Not	Guidelines	Know	Had	Provided		
	Understand	as too time-	How to Use	Insufficient	Other	Provided	
	Guidelines	consuming	Guidelines	Training	Reasons	No Reason	Totals
Cabinet Level							
General Government		1					1
Human Services	1	2	1	1			5
Education							0
Public Safety							0
Natural Resources							0
Transportation							0
Sub-Total	1	3	1	1	0	0	6
Non-Cabinet							
General Government		1		1			2
Human Services		1	1	2	2		6
Education		1			1		2
Public Safety		1		1			2
Natural Resources	1	1		1			3
Transportation							0
Sub-Total	1	5	1	5	3	0	15
Grand Total	2	8	2	6	3	0	21

Question by Question Detailed Analyses						
Question No. 12: Whether Agency Felt FIA Evaluation Package Contained Redundancies						
		Did Not				
	Contained	Contain	Provided	Not	Did Not	
	Redundancy	Redudancy	No Answer	Certain	Review	Totals
Cabinet Level						
General Government	3	2	1			6
Human Services	1	4				5
Education	1		1			2
Public Safety	1	1	1			3
Natural Resources	1					1
Transportation		1				1
Sub-Total	7	8	3	0	0	18
Non-Cabinet						
General Government	1	3	1			5
Human Services	2	3		1		6
Education	1	4				5
Public Safety	2	4	1		2	9
Natural Resources	2					2
Transportation						0
Sub-Total	8	14	2	1	2	27
Grand Total	15	22	5	1	2	45

Question No. 13.a: Most Useful Guidelines and Questionnaire													
	Accounting			Controlling									
	Survey &		Federally	Small	Internal		FIA-1	FIA-2	FIA-3				
	Internal	Operational	Funded	Computer	Control	Management	Management	Results of	Summary of	Lack of	Considered	Provided	
Total Pop = 45	Control	Review	Programs	Applications	Questionnaire	Control	Control	Testing Mang't	Material	Knowledge of	Not	No	
	Questionnaire	Questionnaire	Guidelines	Program	Only	Review Guide	Review	Controls	Weaknesses	Guidelines	Applicable	Answer	Totals
Cabinet Level													
General Government	2		1	1								1	5
Human Services	2	1			1						1		5
Education												2	2
Public Safety	1	1										1	3
Natural Resources	1												1
Transportation	1												1
Sub-Total	7	2	1	1	1	0	0	0	0	0	1	4	17
Non-Cabinet Level													
General Government	3											3	6
Human Services	1	1	1	1								5	9
Education	2	1	1	1		1						1	7
Public Safety	1	1								1		6	9
Natural Resources	1											1	2
Transportation													0
Sub-Total	8	3	2	2	0	1	0	0	0	1	0	16	33
Grand Totals	15	5	3	3	1	1	0	0	0	1	1	20	50
Question No. 13.b: Least Useful Guidelines and Questionnaire													
	Accounting			Controlling									
	Survey &		Federally	Small	Internal		FIA-1	FIA-2	FIA-3				
	Internal	Operational	Funded	Computer	Control	Management	Management	Results of	Summary of	Lack of	Considered	Provided	
Total Pop = 45	Control	Review	Programs	Applications	Questionnaire	Control	Control	Testing Mang't	Material	Knowledge of	Not	No	
	Questionnaire	Questionnaire	Guidelines	Program	Only	Review Guide	Review	Controls	Weaknesses	Guidelines	Applicable	Answer	Totals
Cabinet Level													
General Government	2	2	3	2								1	10
Human Services		1									1	2	4
Education												1	1
Public Safety	1			1								1	3
Natural Resources			1										1
Transportation												1	1
Sub-Total	3	3	4	3	0	0	0	0	0	0	1	6	20
Non-Cabinet Level													
General Government		2	3									2	7
Human Services	1	1	2	1								4	9
Education	2	2	2	3									9
Public Safety			1									8	9
Natural Resources			1									1	2
Transportation													0
Sub-Total	3	5	9	4	0	0	0	0	0	0	0	15	36
Grand Totals	6	8	13	7	0	0	0	0	0	0	1	21	56

Question No. 14: Agency's Suggestions for Improvement to FIA Reporting														
			Rotational or Discretionary	Streamlining and/or	No Submission	Custom-tailored	FIA Report Unhelpful	Linkage of			DOA's Direct	Include Excerpts of		
	Additional or General	Customized Training for	Reporting of Agency's	Reduction in Size of	Due to Mitigating	Report for Small/Large	Due to Mitigating	Strategic Planning &	Change Existing	Focus on Specific	Assistance to Smaller	Policy & Procedural	Provided	
<i>Total Pop = 45</i>	Training	Managers	Program	Report	Circumstances	Agencies	Circumstances	Budgeting	Statute	Areas	Agencies	Handbook	No Answer	
Cabinet Level														
General Government	1	1	1	1										2
Human Services	1		1	2				1	1	1				1
Education						1								1
Public Safety				1						1				1
Natural Resources			1	1						1				
Transportation	1	1											1	
Sub-Total	3	2	3	5	0	1	0	1	1	3	0	1		5
Non-Cabinet Level														
General Government	1		1		1	1	1							1
Human Services	3			1				1			1			
Education			1	1		1			1					2
Public Safety	3			2								1		3
Natural Resources	2			1										
Transportation														
Sub-Total	9	0	2	5	1	2	2	0	1	0	1	1		6
Grand Totals	12	2	5	10	1	3	2	1	2	3	1	2		11

Question No.1.a: Whether Agency submitted FY 1998 FIA Report							
			Considered				
<i>Total Pop = 45</i>		Did Not	Not	Provided	Not	Do Not	
	Submitted	Submit	Applicable	No Answer	Certain	Know	Totals
Cabinet-Level							
General Government	9%	4%					13%
Human Services	11%						11%
Education	2%	2%					4%
Public Safety	4%	2%					7%
Natural Resources	2%						2%
Transportation	2%						2%
Sub-total	31%	9%	0%	0%	0%	0%	40%
Non-Cabinet							
General Gov't	7%	4%					11%
Human Services	7%	4%			2%		13%
Education	4%	7%					11%
Public Safety	9%	7%			2%	2%	20%
Natural Resources	4%						4%
Transportation							0%
Sub-total	31%	22%	0%	0%	4%	2%	60%
Totals	62%	31%	0%	0%	4%	2%	100%

Question No.1.b: Whether Agency submitted FY 1997 FIA Report							
			Considered				
<i>Total Pop = 45</i>		Did Not	Not	Provided	Not	Do Not	
	Submitted	Submit	Applicable	No Answer	Certain	Know	Totals
Cabinet-Level							
General Gov't	4%	9%					13%
Human Services	9%	2%					11%
Education	2%	2%					4%
Public Safety	4%	2%					7%
Natural Resources	2%						2%
Transportation	2%						2%
Sub-total	24%	16%	0%	0%	0%	0%	40%
Non-Cabinet							
General Gov't	2%	9%					11%
Human Services	11%	2%					13%
Education	7%	4%					11%
Public Safety	11%	4%			2%	2%	20%
Natural Resources	2%			2%			4%
Transportation							0%
Sub-total	33%	20%	0%	2%	2%	2%	60%
Totals	58%	36%	0%	2%	2%	2%	100%

Question No.1.c: Although Agency submitted FIA Report, Agency:								
		Did Not	Did Not			Considered		
	Did Not	Know How	View			Process		
	Understand	to Fill Out	Report to	Lacked	Lacked	Too		Provided
	Report	Report	be of Value	Resources	Time	Tedious	Other	No Answer
Wtd Ave. Pop =27								
Cabinet-Level								
General Gov't								
Human Services								
Education								
Public Safety								
Natural Resources								
Transportation								
Sub-total	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Non-Cabinet								
General Gov't								
Human Services	3.70%	3.70%						
Education								
Public Safety								
Natural Resources	3.70%	3.70%	3.70%					
Transportation								
Sub-total	7.41%	7.41%	3.70%	0.00%	0.00%	0.00%	0.00%	
Totals	7.41%	7.41%	3.70%	0.00%	0.00%	0.00%	0.00%	

Question No.1.d: Agency Did Not Submit FIA Report Due To:								
		Did Not	Did Not			Considered		
	Did Not	Know How	View			Process		
	Understand	to Fill Out	Report to	Lacked	Lacked	Too		Provided
Wtd. Ave. Pop=15	Report	Report	be of Value	Resources	Time	Tedious	Other	No Answer
Cabinet-Level								
General Gov't			13.33%		6.67%	6.67%	13.33%	
Human Services				6.67%				
Education								
Public Safety								
Natural Resources								
Transportation								
Sub-total	0.00%	0.00%	13.33%	6.67%	6.67%	6.67%	13.33%	0.00%
Non-Cabinet								
General Gov't		6.67%		6.67%	6.67%	13.33%	6.67%	6.67%
Human Services	6.67%		6.67%	13.33%	6.67%	6.67%		
Education			6.67%		13.33%	6.67%	6.67%	
Public Safety				6.67%	6.67%	6.67%	6.67%	
Natural Resources								
Transportation								
Sub-total	6.67%	6.67%	13.33%	26.67%	33.33%	33.33%	20.00%	6.67%
Totals	6.67%	6.67%	26.67%	33.33%	40.00%	40.00%	33.33%	6.67%

Question No. 2: Whether FIA Report Was Viewed as a Useful Management Tool:							
	Viewed as	Not Viewed	Considered		Provided		
<i>Total Pop = 45</i>	a Useful	as a Useful	Not	Not	No	Do Not	
Cabinet-Level	Mang't Tool	Mang't Tool	Applicable	Certain	Answer	Know	Total
General Gov't	6.67%	2.22%			4.44%		13.33%
Human Services	2.22%	8.89%					11.11%
Education		2.22%			2.22%		4.44%
Public Safety	4.44%				2.22%		6.67%
Natural Resources	2.22%						2.22%
Transportation	2.22%						2.22%
Sub-total	17.78%	13.33%	0.00%	0.00%	8.89%	0.00%	40.00%
Non-Cabinet							
General Gov't	4.44%	2.22%	4.44%				11.11%
Human Services	6.67%	4.44%	2.22%				13.33%
Education	4.44%	4.44%	2.22%				11.11%
Public Safety	2.22%	6.67%	4.44%		6.67%		20.00%
Natural Resources	2.22%	2.22%					4.44%
Transportation							0.00%
Sub-total	20.00%	20.00%	13.33%	0.00%	6.67%	0.00%	60.00%
Totals	37.78%	33.33%	13.33%	0.00%	15.56%	0.00%	100.00%

Question No. 2.a: Although Agency Did View FIA Report as a Useful Management Tool, Agency:							
	Will Not Use	Would	Is		Believes		
<i>Total Pop = 17</i>	Report	Change	Concerned	Is Unaware	Info is		Provided
Cabinet-Level	to Effect	But Lack	About Public	It's a Mang't	Contained	Provided	Other
	Change	Resources	Sensitivity	Tool	Elsewhere	No Answer	Reasons
General Gov't							
Human Services							
Education							
Public Safety							
Natural Resources							
Transportation							
Sub-total	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Non-Cabinet							
General Gov't							
Human Services		5.88%					
Education							
Public Safety							
Natural Resources							
Transportation							
Sub-total	0.00%	5.88%	0.00%	0.00%	0.00%	0.00%	0.00%
Totals	0.00%	5.88%	0.00%	0.00%	0.00%	0.00%	0.00%

Question No. 2.b: Reasons Agency Did Not View FIA Report as a Useful Management Tool:							
	Will Not Use	Would	Is		Believes		
<i>Total Pop = 15</i>	Report	Change	Concerned	Unaware	Info is		Provided
	to Effect	But Lack	About Public	It's a Mang't	Contained	Provided	Other
Cabinet-Level	Change	Resources	Sensitivity	Tool	Elsewhere	No Answer	Reasons
General Gov't					6.67%		
Human Services	6.67%	6.67%			20.00%		
Education	6.67%				6.67%		
Public Safety							
Natural Resources							
Transportation							
Sub-total	13.33%	6.67%	0.00%	0.00%	33.33%	0.00%	0.00%
Non-Cabinet							
General Gov't					6.67%		
Human Services		5.88%			6.67%		6.67%
Education	6.67%			6.67%			6.67%
Public Safety	6.67%	6.67%		6.67%	6.67%		
Natural Resources		6.67%					
Transportation							
Sub-total	13.33%	19.22%	0.00%	13.33%	20.00%	0.00%	13.33%
Totals	26.67%	25.88%	0.00%	13.33%	53.33%	0.00%	13.33%

Question No. 3: Whether Agency Received All Blank Forms for FIA Report							
		Did Not	Considered		Provided		
	Received	Receive	Not	Not	No	Do Not	
Cabinet-Level	Forms	Forms	Applicable	Certain	Answer	Know	Totals
General Gov't	11.11%				2.22%		13.33%
Human Services	11.11%						11.11%
Education	2.22%				2.22%		4.44%
Public Safety	4.44%				2.22%		6.67%
Natural Resources	2.22%						2.22%
Transportation	2.22%						2.22%
Sub-total	33.33%	0.00%	0.00%	0.00%	6.67%	0.00%	40.00%
Non-Cabinet							
General Gov't	6.67%	2.22%	2.22%				11.11%
Human Services	13.33%						13.33%
Education	11.11%						11.11%
Public Safety	8.89%	4.44%		2.22%	4.44%		20.00%
Natural Resources	2.22%				2.22%		4.44%
Transportation							0.00%
Sub-total	42.22%	6.67%	2.22%	2.22%	6.67%	0.00%	60.00%
Totals	75.56%	6.67%	2.22%	2.22%	13.33%	0.00%	100.00%

Question No. 4: Levels Within the Agency That Were Involved in Filling out the FIA Report																
		Considered			Upper &				Upper, Middle	Supervisory	Provided	Middle, Middle	Middle			
Total Pop = 45	Upper	Not	Supervisory	Employees	Middle	Upper &	Upper &	Middle &	Supervisory	&	No	Supervisory	Mang't	Middle &	Other State	Totals
	Mang't Only	Applicable	Only	Only	Mang't	Supervisory	Employees	Supervisory	& Employees	Employees	Answer	& Employees	Only	Supervisory	Functionary	
Cabinet-Level																0.00%
General Gov't	2.22%									2.22%	4.44%	2.22%	2.22%			13.33%
Human Services	2.22%				4.44%			2.22%				2.22%				11.11%
Education					2.22%						2.22%					4.44%
Public Safety								2.22%			4.44%					6.67%
Natural Resources					2.22%											2.22%
Transportation													2.22%			2.22%
Sub-total	4.44%	0.00%	0.00%	0.00%	8.89%	0.00%	0.00%	4.44%	0.00%	2.22%	11.11%	4.44%	4.44%	0.00%	0.00%	40.00%
Non-Cabinet																
General Gov't	2.22%		2.22%		2.22%					2.22%			2.22%			11.11%
Human Services		2.22%		2.22%		2.22%	4.44%	2.22%								13.33%
Education	2.22%	2.22%			2.22%				2.22%				2.22%			11.11%
Public Safety	4.44%				2.22%						6.67%			2.22%	4.44%	20.00%
Natural Resources	2.22%				2.22%											4.44%
Transportation																0.00%
Sub-total	11.11%	4.44%	2.22%	2.22%	8.89%	2.22%	4.44%	2.22%	2.22%	2.22%	6.67%	0.00%	4.44%	2.22%	4.44%	60.00%
Totals	15.56%	4.44%	2.22%	2.22%	17.78%	2.22%	4.44%	6.67%	2.22%	4.44%	17.78%	4.44%	8.89%	2.22%	4.44%	100.00%

Question No. 5: Whether Agency Received Formal Training for FIA Report						
		Did Not				
	Received	Receive				
<i>Total Pop = 45</i>						
	Formal	Formal	Provided	Not	Do Not	
Cabinet-Level	Training	Training	No Answer	Certain	Know	Totals
General Gov't	2.22%	11.11%				13.33%
Human Services	6.67%	4.44%				11.11%
Education	2.22%		2.22%			4.44%
Public Safety	4.44%		2.22%			6.67%
Natural Resources		2.22%				2.22%
Transportation	2.22%					2.22%
Sub-total	17.78%	17.78%	4.44%	0.00%	0.00%	40.00%
Non-Cabinet						
General Gov't	4.44%	6.67%				11.11%
Human Services	4.44%	6.67%		2.22%		13.33%
Education	2.22%	8.89%				11.11%
Public Safety	2.22%	15.56%	2.22%			20.00%
Natural Resources	2.22%	2.22%				4.44%
Transportation						0.00%
Sub-total	15.56%	40.00%	2.22%	2.22%	0.00%	60.00%
Totals	33.33%	57.78%	6.67%	2.22%	0.00%	100.00%

Question No. 5.a: Whether Agency That Received Formal Training May or May Not Need Additional Training								
		Need	Do Not Need					
	Total Pop = 15	Additional	Additional	Provided				
		Training	Training	No Answer	Totals			
Cabinet-Level								
General Gov't				6.67%	6.67%			
Human Services	20.00%				20.00%			
Education				6.67%	6.67%			
Public Safety				13.33%	13.33%			
Natural Resources					0.00%			
Transportation				6.67%	6.67%			
Sub-total	20.00%	0.00%	0.00%	33.33%	53.33%			
Non-Cabinet								
General Gov't	6.67%	6.67%			13.33%			
Human Services	6.67%			6.67%	13.33%			
Education	6.67%				6.67%			
Public Safety	6.67%				6.67%			
Natural Resources	6.67%				6.67%			
Transportation					0.00%			
Sub-total	33.33%	6.67%	6.67%	6.67%	46.67%			
Totals	53.33%	6.67%	6.67%	40.00%	100.00%			

Question No. 5.b: Whether Agency That Did Not Receive Formal Training May or May Not Need Initial Training							
		Do Not Need					
	<i>Total Pop = 26</i>	Need Initial	Initial	Provided			
	Cabinet-Level	Training	Training	No Answer	Totals		
	General Gov't	11.54%		7.69%	19.23%		
	Human Services	7.69%			7.69%		
	Education				0.00%		
	Public Safety				0.00%		
	Natural Resources	3.85%			3.85%		
	Transportation				0.00%		
	Sub-total	23.08%	0.00%	7.69%	30.77%		
	Non-Cabinet						
	General Gov't	3.85%		7.69%	11.54%		
	Human Services	3.85%		7.69%	11.54%		
	Education	7.69%		7.69%	15.38%		
	Public Safety	11.54%		15.38%	26.92%		
	Natural Resources	3.85%			3.85%		
	Transportation				0.00%		
	Sub-total	30.77%	0.00%	38.46%	69.23%		
	Totals	53.85%	0.00%	46.15%	100.00%		

Question No. 6: Whether Agency Had Available Written Operating Policies & Procedures							
		Not	Provided		Partially		
<i>Total Pop = 45</i>	Available	Available	No Answer	Not Certain	Available	Totals	
Cabinet-Level							
General Gov't	11.11%		2.22%			13.33%	
Human Services	6.67%		2.22%		2.22%	11.11%	
Education	4.44%					4.44%	
Public Safety	4.44%		2.22%			6.67%	
Natural Resources	2.22%					2.22%	
Transportation	2.22%					2.22%	
Sub-total	31.11%	0.00%	6.67%	0.00%	2.22%	40.00%	
Non-Cabinet							
General Gov't	6.67%				4.44%	11.11%	
Human Services	13.33%					13.33%	
Education	6.67%	4.44%				11.11%	
Public Safety	11.11%	6.67%			2.22%	20.00%	
Natural Resources	4.44%					4.44%	
Transportation						0.00%	
Sub-total	42.22%	11.11%	0.00%	0.00%	6.67%	60.00%	
Totals	73.33%	11.11%	6.67%	0.00%	8.89%	100.00%	

Question No. 7: Whether Agency Used Results of FIA Report for Corrective Action						
		Did Not				
<i>Total Pop = 45</i>	Used for	Use for	Considered			
Cabinet-Level	Corrective	Corrective	Not	Not	Provided	
	Action	Action	Applicable	Certain	No Answer	Totals
General Gov't	6.67%	2.22%			4.44%	13.33%
Human Services	4.44%	6.67%				11.11%
Education		2.22%			2.22%	4.44%
Public Safety	2.22%				4.44%	6.67%
Natural Resources	2.22%					2.22%
Transportation	2.22%					2.22%
Sub-total	17.78%	11.11%	0.00%	0.00%	11.11%	40.00%
Non-Cabinet						
General Gov't	6.67%	2.22%	2.22%			11.11%
Human Services	4.44%	6.67%			2.22%	13.33%
Education	4.44%	4.44%		2.22%		11.11%
Public Safety	4.44%	13.33%			2.22%	20.00%
Natural Resources	2.22%	2.22%				4.44%
Transportation						0.00%
Sub-total	22.22%	28.89%	2.22%	2.22%	4.44%	60.00%
Totals	40.00%	40.00%	2.22%	2.22%	15.56%	100.00%

Question No. 9.a: Whether the Agency's Mission Was Understood by All Employees							
	<i>Total Pop = 45</i>	Mission	Mission Not	Provided	Not		Do Not
	Cabinet-Level	Understood	Understood	No Answer	Certain	Limited	Know
							Totals
General Gov't	8.89%	2.22%			2.22%		13.33%
Human Services	11.11%						11.11%
Education	4.44%						4.44%
Public Safety	4.44%		2.22%				6.67%
Natural Resources	2.22%						2.22%
Transportation	2.22%						2.22%
Sub-total	33.33%	2.22%	2.22%	2.22%	0.00%	0.00%	40.00%
Non-Cabinet							
General Gov't	8.89%				2.22%		11.11%
Human Services	13.33%						13.33%
Education	11.11%						11.11%
Public Safety	17.78%	2.22%					20.00%
Natural Resources	4.44%						4.44%
Transportation							0.00%
Sub-total	55.56%	2.22%	0.00%	0.00%	2.22%	0.00%	60.00%
Totals	88.89%	4.44%	2.22%	2.22%	2.22%	0.00%	100.00%

Question No. 9.b: Whether the Agency's Objectives Established Supported the Agency's Mission							
		Objectives					
<i>Total Pop = 45</i>	Objectives	Do Not					
Cabinet-Level	Support	Support	Provided	Not		Do Not	
	Mission	Mission	No Answer	Certain	Limited	Know	Totals
General Gov't	11.11%	2.22%					13.33%
Human Services	11.11%						11.11%
Education	4.44%						4.44%
Public Safety	4.44%		2.22%				6.67%
Natural Resources	2.22%						2.22%
Transportation	2.22%						2.22%
Sub-total	35.56%	2.22%	2.22%	0.00%	0.00%	0.00%	40.00%
Non-Cabinet							
General Gov't	8.89%				2.22%		11.11%
Human Services	13.33%						13.33%
Education	11.11%						11.11%
Public Safety	17.78%	2.22%					20.00%
Natural Resources	4.44%						4.44%
Transportation							0.00%
Sub-total	55.56%	2.22%	0.00%	0.00%	2.22%	0.00%	60.00%
Totals	91.11%	4.44%	2.22%	0.00%	2.22%	0.00%	100.00%

Question No. 10: Whether Consultants Were Utilized to Help Identify Management Controls							
		Consultants	Consultants	Provided	Not	Do Not	
	<i>Total Pop = 45</i>						
	Cabinet-Level	Utilized	Not Utilized	No Answer	Certain	Know	Totals
General Gov't		2.22%	11.11%				13.33%
Human Services		4.44%	6.67%				11.11%
Education		4.44%					4.44%
Public Safety		2.22%	2.22%	2.22%			6.67%
Natural Resources		2.22%					2.22%
Transportation			2.22%				2.22%
Sub-total		15.56%	22.22%	2.22%	0.00%	0.00%	40.00%
	Non-Cabinet						
General Gov't		6.67%	4.44%				11.11%
Human Services		2.22%	11.11%				13.33%
Education		2.22%	8.89%				11.11%
Public Safety		4.44%	15.56%				20.00%
Natural Resources		2.22%	2.22%				4.44%
Transportation							0.00%
Sub-total		17.78%	42.22%	0.00%	0.00%	0.00%	60.00%
Totals		33.33%	64.44%	2.22%	0.00%	0.00%	100.00%

Question No. 11: Whether the Evaluation Guidelines Issued by the State Controller Were Helpful						
Total Pop = 45		Not	Provided	Not	Do Not	
Cabinet-Level	Helpful	Helpful	No Answer	Certain	Know	Totals
General Gov't	8.89%	2.22%	2.22%			13.33%
Human Services	6.67%	4.44%				11.11%
Education	2.22%		2.22%			4.44%
Public Safety	2.22%		2.22%	2.22%		6.67%
Natural Resources	2.22%					2.22%
Transportation	2.22%					2.22%
Sub-total	24.44%	6.67%	6.67%	2.22%	0.00%	40.00%
Non-Cabinet						
General Gov't	6.67%	2.22%			2.22%	11.11%
Human Services	6.67%	6.67%				13.33%
Education	6.67%	4.44%				11.11%
Public Safety	6.67%	4.44%	2.22%	4.44%	2.22%	20.00%
Natural Resources	2.22%	2.22%				4.44%
Transportation						0.00%
Sub-total	28.89%	20.00%	2.22%	4.44%	4.44%	60.00%
Totals	53.33%	26.67%	8.89%	6.67%	4.44%	100.00%

Question No. 11.a: Guidelines Were Not Considered Helpful Because Agency:						
		Viewed	Did Not			
<i>Total Pop = 12</i>	Did Not	Guidelines	Know	Had	Provided	
	Understand	as Time	How to Use	Insufficient	Other	Provided
Cabinet-Level	Guidelines	Consuming	Guidelines	Training	Reasons	No Reason
General Gov't		8.33%				
Human Services	8.33%	16.67%	8.33%	8.33%		
Education						
Public Safety						
Natural Resources						
Transportation						
Sub-total	8.33%	25.00%	8.33%	8.33%	0.00%	0.00%
Non-Cabinet						
General Gov't		8.33%		8.33%		
Human Services		8.33%	8.33%	16.67%	16.67%	
Education		8.33%			8.33%	
Public Safety		8.33%		8.33%		
Natural Resources	8.33%	8.33%		8.33%		
Transportation						
Sub-total	8.33%	41.67%	8.33%	41.67%	25.00%	0.00%
Totals	16.67%	66.67%	16.67%	50.00%	25.00%	0.00%

Question No. 12: Whether Agency Felt the FIA Evaluation Package Contained Redundancies						
		Did Not				
<i>Total Pop = 45</i>	Contained	Contain	Provided	Not	Did Not	
Cabinet-Level	Redundancy	Redundancy	No Answer	Certain	Review	Totals
General Gov't	6.67%	4.44%	2.22%			13.33%
Human Services	2.22%	8.89%				11.11%
Education	2.22%		2.22%			4.44%
Public Safety	2.22%	2.22%	2.22%			6.67%
Natural Resources	2.22%					2.22%
Transportation		2.22%				2.22%
Sub-total	15.56%	17.78%	6.67%	0.00%	0.00%	40.00%
Non-Cabinet						
General Gov't	2.22%	6.67%	2.22%			11.11%
Human Services	4.44%	6.67%		2.22%		13.33%
Education	2.22%	8.89%				11.11%
Public Safety	4.44%	8.89%	2.22%		4.44%	20.00%
Natural Resources	4.44%					4.44%
Transportation						0.00%
Sub-total	17.78%	31.11%	4.44%	2.22%	4.44%	60.00%
Totals	33.33%	48.89%	11.11%	2.22%	4.44%	100.00%

Question No. 13.a: Most Useful Guidelines and Questionnaire														
	Accounting			Controlling										
	Survey &		Federally	Small	Internal		FIA-1	FIA-2	FIA-3					
	Internal	Operational	Funded	Computer	Control	Management	Management	Results of	Summary of	Lack of	Considered	Provided		
Total Pop = 45	Control	Review	Programs	Applications	Questionnaire	Control	Control	Testing Mang't	Material	Knowledge of	Not	No		
	Questionnaire	Questionnaire	Guidelines	Program	Only	Review Guide	Review	Controls	Weaknesses	Guidelines	Applicable	Answer	Totals	
Cabinet Level														
General Government	4.44%		2.22%	2.22%								2.22%	11.11%	
Human Services	4.44%	2.22%			2.22%						2.22%		11.11%	
Education												4.44%	4.44%	
Public Safety	2.22%	2.22%										2.22%	6.67%	
Natural Resources	2.22%												2.22%	
Transportation	2.22%												2.22%	
Sub-Total	15.56%	4.44%	2.22%	2.22%	2.22%	0.00%	0.00%	0.00%	0.00%	0.00%	2.22%	8.89%	37.78%	
Non-Cabinet Level														
General Government	6.67%											6.67%	13.33%	
Human Services	2.22%	2.22%	2.22%	2.22%								11.11%	20.00%	
Education	4.44%	2.22%	2.22%	2.22%		2.22%						2.22%	15.56%	
Public Safety	2.22%	2.22%								2.22%		13.33%	20.00%	
Natural Resources	2.22%											2.22%	4.44%	
Transportation													0.00%	
Sub-Total	17.78%	6.67%	4.44%	4.44%	0.00%	2.22%	0.00%	0.00%	0.00%	2.22%	0.00%	35.56%	73.33%	
Grand Totals	33.33%	11.11%	6.67%	6.67%	2.22%	2.22%	0.00%	0.00%	0.00%	2.22%	2.22%	44.44%	111.11%	
Question No. 13.b: Least Useful Guidelines and Questionnaire														
	Accounting			Controlling										
	Survey &		Federally	Small	Internal		FIA-1	FIA-2	FIA-3					
	Internal	Operational	Funded	Computer	Control	Management	Management	Results of	Summary of	Lack of	Considered	Provided		
Total Pop = 45	Control	Review	Programs	Applications	Questionnaire	Control	Control	Testing Mang't	Material	Knowledge of	Not	No		
	Questionnaire	Questionnaire	Guidelines	Program	Only	Review Guide	Review	Controls	Weaknesses	Guidelines	Applicable	Answer	Totals	
Cabinet Level														
General Government	4.44%	4.44%	6.67%	4.44%								2.22%	22.22%	
Human Services		2.22%									2.22%	4.44%	8.89%	
Education												2.22%	2.22%	
Public Safety	2.22%			2.22%								2.22%	6.67%	
Natural Resources			2.22%										2.22%	
Transportation												2.22%	2.22%	
Sub-Total	6.67%	6.67%	8.89%	6.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.22%	13.33%	44.44%	
Non-Cabinet Level														
General Government		4.44%	6.67%									4.44%	15.56%	
Human Services	2.22%	2.22%	4.44%	2.22%								8.89%	20.00%	
Education	4.44%	4.44%	4.44%	6.67%									20.00%	
Public Safety			2.22%									17.78%	20.00%	
Natural Resources			2.22%									2.22%	4.44%	
Transportation													0.00%	
Sub-Total	6.67%	11.11%	20.00%	8.89%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	33.33%	80.00%	
Grand Totals	13.33%	17.78%	28.89%	15.56%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.22%	46.67%	124.44%	

Question No. 14: Agency's Suggestions for Improvement to FIA Reporting														
				Rotational or Discretionary	Streamlining and/or	No Submission	Custom-tailored	FIA Report Unhelpful	Linkage of			DOA's	Include	
	Additional or	Customized	Reporting of	Reduction	Due to	Report for	Due to	Strategic	Change	Focus on	Assistance	Policy &		
<i>Total Pop = 45</i>	General	Training for	Agency's	In Size of	Mitigating	Small/Large	Mitigating	Planning &	Existing	Specific	to Smaller	Procedural	Provided	
	Training	Managers	Program	Report	Circumstances	Agencies	Circumstances	Budgeting	Statute	Areas	Agencies	Handbook	No Answer	
Cabinet Level														
General Government	2.22%	2.22%	2.22%	2.22%										4.44%
Human Services	2.22%		2.22%	4.44%				2.22%	2.22%	2.22%				2.22%
Education						2.22%								2.22%
Public Safety				2.22%						2.22%				2.22%
Natural Resources			2.22%	2.22%						2.22%				
Transportation	2.22%	2.22%											2.22%	
Sub-Total	6.67%	4.44%	6.67%	11.11%	0.00%	2.22%	0.00%	2.22%	2.22%	6.67%	0.00%	2.22%	11.11%	
Non-Cabinet Level														
General Government	2.22%		2.22%		2.22%	2.22%	2.22%							2.22%
Human Services	6.67%			2.22%			2.22%				2.22%			
Education			2.22%	2.22%		2.22%			2.22%					4.44%
Public Safety	6.67%			4.44%								2.22%		6.67%
Natural Resources	4.44%			2.22%										
Transportation														
Sub-Total	20.00%	0.00%	4.44%	11.11%	2.22%	4.44%	4.44%	0.00%	2.22%	0.00%	2.22%	2.22%	13.33%	
Grand Totals	26.67%	4.44%	11.11%	22.22%	2.22%	6.67%	4.44%	2.22%	4.44%	6.67%	2.22%	4.44%	24.44%	

Questionnaire Comments Review				
Acct.		Que		
No.	Dept/Agency	No.	Instruments	Comments
5300	Department of Transportation	14	Training, Policies, and Procedures	One of the often-cited problems with the "State Accounting System" is the lack of any clear procedural guidelines and training for departmental personnel and more importantly "authorized agents". Individuals are given statutory authority or put in government jobs without being required to receive any formal training or pass any test on state laws and procedures. The procedural manuals are hopelessly out of date and there is no routine procedure for updating them as is typical for other government agencies.
				The FIA reporting forms are usually the only tool a manager has to determine what the rules are. Questions such as 'is someone other than the accounts payable person responsible for opening the mail' (are) the only written indication that this should be the case.
				At minimum, an updated procedural manual should be issued covering existing state procedures and laws. Addendum should be distributed to a document control officer who has the responsibility to update all departmental manuals. There should be a training course through OTD that agencies can send new personnel to, and, other than Department Directors, authorized signatories should be required to pass a proficiency test on state procedures and state purchasing statutes.
1700	Department of Environmental Management	14	Report	Make it more user-friendly with a goal. What are (or) is to be identified as a lack of control or weakness. Should be on-line response for reporting at all levels. Supervisors, chiefs need to have guidelines other than we need more people and money in a centralized system. It is difficult to utilize internal controls. MBE reporting should be emphasized. Should have Dept. evaluate internal systems based on previous year's deficiencies.
2897	Coastal Resources Management Council	14	Guidelines	Simplify the process---better training. State monies allocated to correct deficiencies.

Questionnaire Comments Review				
Acct.		Que		
No.	Dept/Agency	No.	Instruments	Comments
2835	Water Resources Board	14	Training	There is no need to increase the training on use of the report to integrate it into the management of the agencies. Otherwise it is a "paperwork requirement" with little meaning except to the person who prepares the report.
2200	Department of the Attorney General	14	Report	No comments
1300	Department of Corrections	14	Report	The FIA process would be greatly improved if agencies were allowed or even encouraged to focus on a few units each year rather than perform a comprehensive review every year. In this way, we can insure that all appropriate personnel in the unit are properly trained and that departmental administrative personnel are willing to focus attention on those units.
2700	Judiciary	14	Report	Streamline the reporting requirements.
2086	Military Staff	14	Policy and Procedures	The State should include a brief statement of the policy & procedural handbook which should be the guidance tools for compliance of several areas of the Integrity Act.
2085	E-911	14	Training	More training
2083	Fire Safety & Training Academy	14	Training	More education on technique for completing report.
2870	Commission on Judicial Tenure & Discipline	14	Report	The Commission's report was included in the Supreme Court's report and was prepared by Wayne Hannon. I am unaware if a report was filed.
2024	Governor's Justice Commission	14	Report	None at this time
2082	Municipal Police Training Academy	14	Report	Make sure all agencies receive the FIA report and is easy to use.

Questionnaire Comments Review				
Acct.		Que		
No.	Dept/Agency	No.	Instruments	Comments
2070	State Police	14	Report & Guidelines	Streamline reporting and evaluation; this should be part of an auditor's responsibilities—to identify problems with an independent view. Some weaknesses are because of personnel shortages and one person completing many of the same tasks from start to finish.
2821	Public Defender	14	Reports	No comments
3400	Higher Education/Board of Governors	14	Guidelines	More free form and allowance of customization by agencies.
2061	Council on the Arts	14	Report	Some follow-through is needed. Agency visits/on-line submission through a web-site/various phases of report due quarterly rather than the entire report due once a year.
2820	Atomic Energy Commission	14	Report	Create subcategories and report on one each year, similar to last year (Y2K); create or redesign a FIA report for small agencies - 25 FTE's or less.
9400	Higher Education Assistance Authority	14	Guidelines	Condense if possible.
2062	HPHC		Report	No comments
9600	Public Telecomm. Authority/Chan 36	14	Report	No comments
3300	Department of Children, Youths & Families	14	Report	Focus on portions of operation on a rotating basis rather than on the entire agency at once.
3200	Department of Elderly Affairs	14	Report	None
1100	Department of Health	14	Report, Training, and Guidelines	Focus on one specific issue (e.g.) we found the Y2K focus in FY' 98 very useful. Make training available. Streamline and simplify the process, including more useful forms. Make a clear connection with budget and strategic planning processes.
		14	Training	Make training available.

Questionnaire Comments Review				
Acct.		Que		
No.	Dept/Agency	No.	Instruments	Comments
1200	Department of Human Services	14	Report	Revising report, reducing the size of the report and the detail required, and changing the annual submission requirement to a biannual submission. The Single State Audit report should be the foundation for the completion of the FIA report.
1000	Mental Health, Retardation, and Hospitals	14	Training	I believe the need exists for more training and evaluation.
2899	Office of the Child Advocate	14	Training	To provide sufficient training in preparing the report.
2044	Commission on Deaf and Hard of Hearing	14	Report	This report is very intensive and time-consuming for a small agency with limited resources and currently only one funding source—General Revenue. As this agency adheres strictly to Budget Office & Accounts & Control guidelines & practices, it is not a valuable tool at present.
2043	Developmental Disabilities Council	14	Guidelines	Streamline all phases wherever possible; would be very helpful.
2041	Governor's Commission on Disabilities	14	Training	Training not targeted to "tiny" agencies.
2840	Commission for Human Rights	14	Training	Better training needed.
2819	Mental Health Advocate	14	Report	Designate someone from DOA to provide direct assistance and hands-on involvement with tiny state agencies.
1400	Elementary and Secondary Education	14	Report	No comments
2400	Department of Administration	14	Training	Training would be of great help.
1800	Department of Business Regulation	14	Report and Training	The DBR has been able to effectively and efficiently complete the FIA report in past years, however, since each department head is responsible for his/her division's section of the FIA report, it would be advantageous to hold hands-on training session at the DBR consisting of these key personnel. This will promote interaction of ideas and concerns amongst the various department heads, as well as answer any questions which arise.

Questionnaire Comments Review				
Acct.		Que		
No.	Dept/Agency	No.	Instruments	Comments
1900	Department of Labor & Training	14	Report	Strengths and weaknesses vary by Department. Rather than a "one size fits all approach, allow a Department the opportunity to choose the particular area (within bounds) where introspection would be beneficial. The area would vary annually.
2025	Office of Lieutenant Governor	14	Report	No Comments
2300	Office of the Treasury	14	Report and Training	Make the report more succinct, less time consuming, provide specific training for managers to be knowledgeable about the concepts defining the internal control structure.
2850	Boards for Design Professionals	14	Report	Can't answer
2890	Board of Elections	14	Report	If Auditor General conducts an audit with recommendations and the agency implements the changes, then the agency should be free from submitting a FIA report for three years, or at the very least one (1).
2865	Ethics Commission	14	Guidelines	Two-tiered approach. Tailor one tier to smaller entities.
2010	Office of the Governor	14	Report	No Comments
2841	Public Utilities Commission	14	Training, Guidelines, and Report	Additional training is necessary; Greater over-all employee participation in the evaluation process should be emphasized.
				The evaluation should be relatively narrow in scope on an annual basis. Areas of concentration should be changed annually to insure that all problems are properly identified and corrected. Although most items listed within the guidelines are generally complied with, there is always room for improvement.
2042	Commission On Women	14	Report	As a report, the questionnaire seems too detailed and unhelpful--but as guidelines and self-training documents, I am finding them very helpful.

Strategic Risks

Environment Risks

Natural and man-made disasters
Political/country
Laws and regulations
Industry
Competitors
Financial markets

Organization Risks

CORPORATE OBJECTIVES AND STRATEGIES

Planning
Resource allocation
Monitoring
Mergers, acquisitions, and divestitures
Joint ventures and alliances

LEADERSHIP

Vision
Judgment
Succession planning
Tone at the top

Operating Risks

WORKFORCE

Hiring
Knowledge and skills
Development and training
Size
Safety

SUPPLIERS

Outsourcing
Procurement practices
Availability, price, and quality of suppliers' products and services

PHYSICAL PLANT

Capacity
Technology/obsolescence

PROTECTION

Physical plant and other tangible assets
Knowledge and intellectual property

PRODUCTS AND SERVICES

Development
Quality
Pricing
Cost
Delivery
Consumer protection
Technology/obsolescence

CUSTOMERS

Needs
Satisfaction
Credit

REGULATORY COMPLIANCE

Employment
Products and services
Environmental
Antitrust law

MANAGEMENT

Accountability
Authority
Responsibility

CORPORATE GOVERNANCE

Ethics
Reputation
Values
Fraud and illegal acts

INVESTOR/CREDITOR RELATIONS

HUMAN RESOURCES

Performance rewards
Benefits
Workplace environment
Diversity

Financial Risks

CAPITAL/FINANCING

Availability
Interest rates
Creditworthiness

INVESTING

Cash availability
Securities
Receivables
Inventories
Derivatives

REGULATORY COMPLIANCE

Securities law
Taxation

Information Risks

INFORMATION SYSTEMS

Reliability
Sufficiency
Protection
Technology

STRATEGIC INFORMATION

Relevance and accuracy of measurements
Availability
Assumptions

OPERATING INFORMATION

Relevance and accuracy of measurements
Availability
Regulatory reporting

FINANCIAL INFORMATION

Relevance and accuracy of measurements
Accounting
Budgets
Taxation
Financial reporting
Regulatory reporting

Summary of FIA Meeting Held September 14,1999

	Director/ Head of Agency	Agency Represented
Governor's Justice Commission	(A)	
R.I. Commission on Women	Yes	1
R.I. Council on the Arts	No	1
Fire Safety and Training Academy	No(A)	1
Secretary of State	No	
Legislative / Joint Committee on Legislative Services	No	
R.I. Atomic Energy Commission	Yes	1
Commission for Human Rights	Yes	2
Lieutenant Governor	No	
R.I. Development Disabilities Council	No	
Historical Preservation and Heritage Commission	Yes	2
Fire Safety Bd. Of Appeal & Review	No(A)	1
Attorney General	No	
State Courts	No	
Office of the Public Defender	No	1
Division of Public Utilities	No	2
R.I. Gov. Commission on Disabilities	No	
Municipal Police Training Acad.	No	1
Comm. On the Deaf & Hard of Hearing	No	
E-911 Uniform Emergency Tel. System	Yes(A)	2
General Treasure	No	
Mental Health Advocate	No	
State Water Resource Bd.	Yes	2
Board of Design Professions	No	1
R.I. Ethics Commission	No	1
Board of Elections	Yes	1
R.I. Higher Education Assistance Authority	Yes	3
Comm. On Judicial Tenure & Disc.	No	
Coastal Resource Mgt. Council	Yes	1
R.I. Public Telecommunications Auth.	No	
Office of the Child Advocate	No	1
Economic Development Comm.	No	1
<u>Departments:</u>		
Administration	Yes	3
Business Regulation	Yes	3
Labor and Training	Yes	3
Human Services	No	
Children, Youth and Families	Yes	3
Elderly Affairs	Yes	2

Health	No(B)	2
Mental Health, Retardation, & Hospitals	No	1
Elementary and Secondary Education	Yes	2
Corrections	No	2
Military Staff	No	1
Environmental Management	No	4
Transportation	No	1
State Police	No	<u>2</u>
TOTAL		<u>55</u>

Summary of Attendance:

Total of Directors and Agencies Heads Required	46	(C)
Total Directors and Agencies Heads Attending	15	(33 %)
Total Departments and Agencies Represented	32	(70 %)
Departments and Agencies Not Represented:	14	(30 %)
Secretary of State		
Legislative/Joint Committee		
Lieutenant Governor		
R.I. Development Disabilities		
Attorney General		
State Courts		
R.I. Governor's Commission on Disabilities		
Comm. On the Deaf & Hard of Hearing		
General Treasure		
Mental Health Advocate		
Comm. On Judicial Tenure & Disc.		
R.I. Public Telecommunications Auth.		
Department of Human Services		
Governor's Justice Commission		

NOTES:

- (A) The filing of the FIA report is the responsibility of the Department of Administration.
- (B) The Director of the Health sent a letter indicating another commitment.
- (C) Quasi-Public Agencies and Authorities were not notified of the meeting.